

Shabbir & Rita Associates LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VERITAS AGRO VENTURE PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of M/s Veritas Agro Venture Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2020, and its profit and its cash flows and the changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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



AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in Financial Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statement may be influence. We consider quantitative materiality and qualitative factors in I. Planning the scope of our Audit work and in evaluating the result of our work and II. To evaluate the effect of any identified misstatement in the Financial Statements.



Continuation Sheet.....

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income and the Cash Flow Statement and Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 including Ind AS;
 - e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

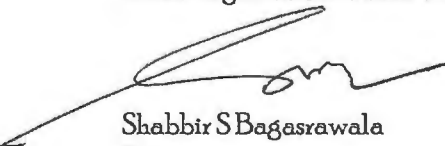


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CHARTERED ACCOUNTANTS

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For SHABBIR & RITA ASSOCIATES LLP
Chartered Accountants
Firm's Registration No. 109420W


Shabbir S Bagasrawala
Partner
Membership No. 039865
UDIN No: 20039865AAAACL1496
Place of Signature: Mumbai
Date: 16/06/2020



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CHARTERED ACCOUNTANTS

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020, we report that:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) Since there is no physical Inventory holding in the company, accordingly reporting under Clause 3 (ii) of the order is not applicable to the company.
- 3) According to the information and explanations given to us, the Company has NOT granted unsecured loans to wholly owned subsidiaries covered under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the



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Chartered Accountants

appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanation given to us, the following dues of Income Tax and Sales Tax / Value Added Tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
INCOME TAX ACT 1961	INCOME TAX	1072570	A.Y.2013-14	CIT APPEAL 8
INCOME TAX ACT 1961	INCOME TAX	883800	A.Y.2014-15	CIT APPEAL 8
INCOME TAX ACT 1961	INCOME TAX	2863580	A.Y.2015-16	CIT APPEAL 8
INCOME TAX ACT 1961	INCOME TAX	3007744	A.Y.2016-17	CIT APPEAL 8

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;



Continuation Sheet.....

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CHARTERED ACCOUNTANTS

- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of equity shares during the year under review and has complied with all the requirements of section 42 of the Companies Act, 2013.
- (a) The amounts so raised have been used for the purposes for which the funds were raised by the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SHABBIR & RITA ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 109420W

Shabbir S Bagasrawala

Partner

Membership No. 039865

UDIN No: 20039865AAAACLI

Place of Signature: Mumbai

Date: 16/06/2020



VERITAS AGRO VENTURE PRIVATE LIMITED				
Balance Sheet for the year ended 31st March 2020				
Particulars	Notes	As at 31 March 2020	As at 31 March 2019	
ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	3			
-Tangible Assets		84877,04,650	84881,13,803	
-Goodwill		-	4,20,252	
(b) Financial Assets				
- Investments	4	-	-	
(c) Other Non Current Assets	5	24,78,934	24,07,803	
Total Non Current Assets		84901,83,584	84909,41,858	
2 Current Assets				
(a) Inventories		-	-	
(b) Financial Assets				
- Cash and Cash Equivalents	6	6,20,638	6,43,540	
(c) Other Current Assets	7	-	-	
Total Current Assets		6,20,638	6,43,540	
Total Assets		84908,04,222	84915,85,398	
EQUITY AND LIABILITIES				
<u>Equity</u>				
1 (a) Equity Share Capital	8	1,00,000	1,00,000	
(b) Other Equity	9	83441,73,600	83459,68,026	
Total Equity		83442,73,600	83460,68,026	
<u>Liabilities</u>				
2 <u>Non-Current Liabilities</u>				
(a) Financial Liabilities				
- Borrowings	10	1464,77,872	1454,77,872	
(b) Deferred Tax Liabilities (Net)		-	-	
Total Non Current Liabilities		1464,77,872	1454,77,872	
3 <u>Current Liabilities</u>				
(a) Financial Liabilities				
- Other Financial Liabilities	11	52,750	39,500	
Total Current Liabilities		52,750	39,500	
Total Equity and Liabilities		84908,04,222	84915,85,398	
The accompanying notes forms integral part of the Financial Statements				
As per our report of even date attached				
For Shabbir and Rita Associates LLP		For and on behalf of Board of Directors		
Chartered Accountants		Nitin Kumar Didiwania		
Firm Regd. No.: 10942014		Director		
		DIN : 00210289		
Shabbir S Bagasrawala		Kunal Sharma		
Partner		Director		
Membership No.: 039665		DIN : 03553398		
Place: Mumbai				
Date: 16/06/2020				

VERITAS AGRO VENTURE PRIVATE LIMITED
Statement of Profit and Loss for year ended 31st March 2020

(Amount in Rs.)

Particulars	Notes	For the Year ended 31 March 2020	For the year ended 31 March 2019
Continued operations			
Revenue from Operations	12	1,25,000	2,10,400
Other Income		-	-
Total Revenue		1,25,000	2,10,400
Expenses			
Manufacturing Costs		-	-
Purchase of Stock-in-Trade	13	34,900	35,100
Changes in Inventories of Stock-in-Trade	14	-	-
Employee Benefit Expenses	15	2,44,050	2,10,458
Depreciation and Amortisation Expenses	3	8,29,404	5,30,624
Finance Costs	16	10,399	3,599
Other Expenses	17	8,00,672	22,76,808
Prior Period Revers		-	-
Total Expenses		19,19,426	30,56,589
Profit/ (loss) before exceptional items and tax		(17,94,426)	(28,46,189)
Exceptional items		-	-
Profit/ (loss) before tax		(17,94,426)	(28,46,189)
Tax Expense			
a) Current tax		-	-
a) Deferred tax	18	-	(6,300)
Total Tax Expense		-	(6,300)
Profit/ (loss) for the period from continuing operations		(17,94,426)	(28,39,889)
Profit/ (loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/ (loss) from discontinued operations (after tax)		-	-
Profit/ (loss) for the period		(17,94,426)	(28,39,889)
Other Comprehensive Income			
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		(17,94,426)	(28,39,889)
Earnings per equity share	19		
a) Basic		(179.44)	(283.99)
b) Diluted		(179.44)	(283.99)

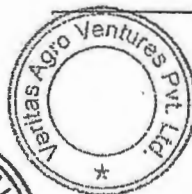
The accompanying notes forms integral part of the Financial Statements

As per our report of even date attached

For Shabbir and Rita Associates LLP
Chartered Accountants
Firm Regd. No.: 1024204W

Shabbir S Bagasrawala
Partner
Membership No.: 039865

Place: Mumbai
Date: 16/06/2020



For and on behalf of Board of Directors

Nitin Kumar Didwania
Director
DIN : 00210289

Kunal Sharma
Director
DIN : 03553398

VERITAS AGRO VENTURE PRIVATE LIMITED
Statement of Cash Flows for the year ended 31st March, 2020

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
A Cash Flow From Operating Activities		
Profits before Tax	(17,94,426)	(28,46,189)
Add/(Less):		
Depreciation and Amortisation Expenses	8,29,404	5,30,624
Loss on Subsidiary Investment	-	21,00,235
Interest & Finance Charges	10,399	3,599
	6,39,804	26,34,458
Operating Profit before working Capital Changes	(9,54,622)	(2,11,731)
Working Capital Changes		
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/Decrease in Short Term Loans and Advances	-	-
(Increase)/Decrease in Other Current Assets	(71,131)	(1,71,677)
Increase/(Decrease) in other financial liabilities	10,00,000	6,80,000
Increase/(Decrease) in Other Current Liabilities	13,250	10,100
(Increase)/Decrease in Working Capital	9,42,119	5,18,423
Cash Generated from Operating Activities	(12,503)	3,06,692
Cash Used (-)/generated for operating activities (A)	(12,503)	3,06,692
B Cash Flow From Investing Activities		
Loss on Non-Current Investments	-	-
Net Cash Used in Investing Activities (B)	-	-
C Cash Flow From Financing Activities		
Interest Paid	(10,399)	(3,599)
Net Cash Used in Financing Activities (C)	(10,399)	(3,599)
D Net Increase (+)/ Decrease (-) in cash and cash equivalent Cash equivalent (A+B+C)	(22,902)	3,03,093
Cash and Cash Equivalent Opening Balance	6,43,540	3,40,447
Cash and Cash Equivalent Closing Balance	6,20,638	6,43,540

The accompanying notes forms integral part of the Financial Statements
As per our report of even date attached

For Shabbir and Rita Associates LLP
Chartered Accountants
Firm Regd. No.: 109420W

Shabbir S Bagasrawala
Partner
Membership No.: 039865

Place: Mumbai

Date: 16/06/2020



Nilin Kumar Didwania
Director
DIN : 00210289
Kunal Sharma
Director
DIN : 03553398

VERITAS AGRO VENTURES PRIVATE LIMITED

Notes forming integral part of the Balance Sheet as at 31st March, 2020

Note No 3

(i) Property, Plant and Equipment

FIXED ASSETS		Gross Block		Depreciation/Ameliamation		Upto 31.03.2020	As on 31.03.2020	Net
Sr. No.	Particulars	As at 01.04.2019	Addition	Deduction	As at 31.03.2020	Depreciation as At 01.04.2019	Addition	Deduction
1)	Land	84877,04,650	-	-	84877,04,650	-	-	-
2)	Furniture & Fixtures	2,59,196	-	2,59,196	-	2,37,404	21,792	2,59,196
3)	Plant & Machinery	6,97,482	-	6,97,482	-	3,16,071	3,81,411	6,97,482
4)	Motor Cycle	36,747	-	36,747	-	30,797	5,950	36,747
	TOTAL	84886,98,075	-	9,93,425	84877,04,650	5,84,272	4,09,153	9,93,425
	Previous Year	84887,61,109	-	-	84887,61,109	5,36,934	1,10,372	-
								6,47,306
								84881,13,803
(ii) Intangible Assets								
1)	Goodwill on Ameliamation	21,01,270	-	-	21,01,270	16,81,018	4,20,251	-
	Previous Year	21,01,270	-	-	21,01,270	12,60,766	4,20,256	-
								16,81,022
								4,20,252



VERITAS AGRO VENTURE PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

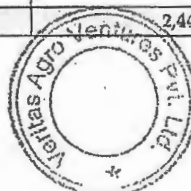
4 INVESTMENTS - NON CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Investments measured at Cost		
	Total		
5 Other Non Current Assets			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Security Deposits Unsecured, Considered Good	66,761	66,761
	Loans and Advances to others Unsecured, Considered Good	12,61,971	12,83,230
	Advance tax net Provision for tax	11,50,202	10,57,812
	Total	24,78,934	24,07,803
6 CASH AND CASH EQUIVALENTS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Cash and Cash Equivalents		
(i)	Balances with Banks		
	In Current Accounts	1,65,447	2,15,749
(ii)	Cash on Hand	4,55,191	4,27,791
	Total	6,20,638	6,43,540
Cash and cash equivalent as per standalone statement of cash Flows			
7 OTHER CURRENT ASSETS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Unsecured Considered Good		
	Prepaid Expenses		
	Total		



8. EQUITY SHARE CAPITAL			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Authorised Share Capital Equity Shares of RS. 1 each (CY 1,20,000 shares of RS. 10 each) (PY 1,20,000 shares of RS. 10 each)	12,00,000	12,00,000
	Total	12,00,000	12,00,000
	Issued Subscribed and Paid Up Equity Shares of RS. 1 each (CY 10,000 shares of RS. 10 each) (PY 10,000 shares of RS. 10 each)	1,00,000	1,00,000
	Total	1,00,000	1,00,000
8.1 The reconciliation of the number of shares outstanding is set out below :			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Equity Shares with Voting Rights		
	Equity Shares at the beginning of the year	10,000	10,000
	Number of Shares	1,00,000	1,00,000
	Amount		
	Equity Shares at the end of the year	10,000	10,000
	Number of Shares	1,00,000	1,00,000
	Amount		
	Total		
9. OTHER EQUITY			
	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	Securities Premium		
	Opening Balance	83466,00,000	83466,00,000
	Additions / (Transfers) during the year	-	-
	Closing Balance	83466,00,000	83466,00,000
(ii)	Surplus in Statement of Profit and Loss		
	Opening Balance	(6,31,974)	22,07,915
	Add: Profit for the year	(17,94,426)	(28,39,889)
	Closing Balance	(24,26,400)	(6,31,974)
	Total	83441,73,600	83459,68,026
10. OTHER FINANCIAL LIABILITIES - NON CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Unsecured Loan from Holding Company	1464,77,872	1454,77,872
	Total	1464,77,872	1454,77,872
11. OTHER FINANCIAL LIABILITIES - CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Other Payables	52,750	39,500
	Total	52,750	39,500



12 REVENUE FROM OPERATIONS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Sale of Products (Refer Note 14.1)	1,25,000	2,10,400
	Total	1,25,000	2,10,400
12.1 Sale of Products comprises:			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Sale - Agricultural produced in farms	1,25,000	2,10,400
	Total	1,25,000	2,10,400
13 PURCHASE OF STOCK IN TRADE			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Agricultural Expenses	34,900	35,100
	Total	34,900	35,100
14 CHANGES IN INVENTORIES OF STOCK IN TRADE			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Opening Stock - Stock in Trade	-	-
	Total	-	-
	Less: Closing Stock - Stock in Trade	-	-
	Total	-	-
	Net Changes In Inventories	-	-
15 EMPLOYEE BENEFIT EXPENSES			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Employee Cost	2,44,050	2,10,458
	Total	2,44,050	2,10,458



16 FINANCE COSTS:

Particulars	As at 31 March 2020	As at 31 March 2019
Bank Charges, Commission and Others	10,399	3,599
Total	10,399	3,599

17 OTHER EXPENSES:

Particulars	As at 31 March 2020	As at 31 March 2019
Audit Fees	29,500	34,000
Electricity Charges	5,500	14,200
Insurance Premium	-	548
Legal and Professional fees	6,19,500	11,180
Professional Tax	2,500	2,500
Rent, Rates and taxes	58,340	68,000
ROC Filing Charges	27,719	4,545
Miscellaneous and Office Expenses	55,313	36,000
Travelling & Conveyance Expenses	2,300	5,600
Loss on Subsidiary Investment	-	21,00,235
Total	8,00,672	22,76,808

Payment to Auditors as :

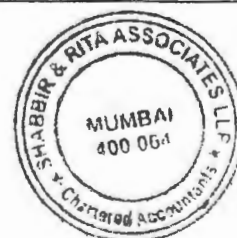
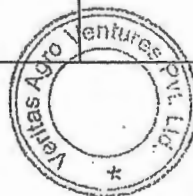
Particulars	As at 31 March 2020	As at 31 March 2019
Statutory Audit Fees	29,500	34,000
Total	29,500	34,000

18 Deferred Tax Liability / (Assets)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred Tax	-	(6,300)
Total	-	(6,300)

19 EARNINGS PER SHARE (EPS)

Particulars	As at 31 March 2020	As at 31 March 2019
Profit/(Loss) attributable to Equity Shareholders of the company	(17,94,426)	(28,39,889)
Weighted Average number of Equity Shares (Basic)	10,000.00	10,000.00
Weighted Average number of Equity Shares (Diluted)	10,000.00	10,000.00
Basic Earnings per Share	(179.44)	(283.99)
Diluted Earnings per Share	(179.44)	(283.99)
Face Value per Equity Share	10	10



VERITAS AGRO VENTURE PRIVATE LIMITED

Notes to Financial Statements for the period ended 31st March, 2020

1 Corporate Information

Veritas Agro Venture Private Limited ("The Company") is a subsidiary of the Listed Public entity incorporated in India. The Company is dealing in business of dealing in Agriculture & Agro products.

2.1 Basis of Preparation and Presentation

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These Financial Statements are the Company's first Ind AS Financial Statements.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- (i) Derivative financial instruments
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy Regarding financial instruments)

Company's Financial Statements are presented in Indian Rupees, which is also its functional currency.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID -19 on the carrying amounts of receivables. Unbilled revenues and investment in subsidiaries In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company ,as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amounts of these assets will be recovered, The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.



2.2 Summary of Significant Accounting Policies

a) Current / Non- Current Classification

Company presents Assets and Liabilities in the Balance Sheet based on Current/ Non-Current classification.

An Asset is treated as current when it is:

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

All other Assets are classified as Non-Current.

A Liability is current when:

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

The Company classifies all other Liabilities as Non-Current.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in Cash and Cash Equivalents. The Company has identified twelve months as its operating cycle.

b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on all Property, Plant and Equipment is provided based on useful life prescribed in Schedule II of the Companies Act, 2013 under Straight Line Method.

The company has in an earlier financial year carried out assessment of useful lives of these assets and based on technical justification, different useful lives have been arrived at in



respect of above assets. The justification for adopting different useful life compared to the useful life of assets provided in Schedule II is based on the business specific environment & usage, consumption pattern of the assets, past performance of similar assets and peer industry comparison duly supported by technical assessment by a Chartered Engineer.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

c) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

d) Intangible Assets and Amortization

Intangible Assets are stated at cost of acquisition less accumulated amortization /depletion and impairment loss, if any.

Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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 entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets of the company comprises of Software which is amortized over a period of 5 years.



e) Finance Costs

Borrowing Costs includes Interest, amortisation of ancillary cost incurred in connection with the arrangement of Borrowings and exchange differences arising from Foreign Currency Borrowings to the extent they are regarded as an adjustment to the Interest Costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

f) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase and other overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. The valuation of inventories is done on FIFO Method.

g) Impairment of Non-Financial Assets - Property, Plant & Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and Intangible Assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

h) Provisions

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



i) Employee Benefit Expenses

(i) Short Term Employee Benefits

All Employee Benefits payable wholly within twelve month of rendering the service are classified as Short Term Employee Benefits and they are recognised in the period in which the employee renders the related service.

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii) Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly payments to Employee State Insurance Scheme, Provident Fund Scheme and Government administered Pension Fund Scheme for all applicable employees. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on Projected Unit cost method made at the end of each financial year. Actuarial gains/ (losses) are recognised directly in other comprehensive income. This benefit is presented according to present value after deducting the fair value of the plan assets. The Company determines the net interest on the net defined benefit liability (asset) in respect of a defined benefit by multiplying the net liability (asset) in respect of a defined benefit by the discount rate used to measure the defined benefit obligation as they were determined at the beginning of the annual reporting period.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Accumulated leave is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



Other Long Term Employee Benefits

The employees of the company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method.

j) Tax Expenses

The tax expense for the period comprises Current and Deferred Tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Minimum Alternative tax (MAT) Credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay Income Tax under the normal provisions during the specified period, resulting in utilisation of MAT Credit. In the Year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will utilise MAT Credit during the specified period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

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

k) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.



Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

1) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

Revenue from Electricity Generation

Sale of Power is recognised at the point of transmission of electricity generated from Windmill.

Interest Income

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

Dividends

Dividends are recognised when the company's right to receive the payment has been established.



m) Financial Instruments

(i) Financial Assets

Initial Recognition and Measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Equity Investments

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.



Other Equity Investments

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 the statement of profit and loss, 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 statement of profit and loss.

Derecognition

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

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

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

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



Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these standalone financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- a) Trade Receivables and
- b) Other Receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other 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 a subsequent period, 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.

Lifetime ECL 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 reporting date.



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 cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) 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.
- b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- c) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL 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.

(ii) **Financial Liabilities**

Initial Recognition and Measurement

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

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

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



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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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 recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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



Derecognition

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

(iii) Derivative Financial Instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments- forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(iv) 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:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



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.

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.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

n) **Cash and Cash Equivalents**

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

o) **Earnings per share**

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



p) **Segment Reporting**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company concludes that it operates under one reporting segment. Unallowable items include general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.3 **Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

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

a) **Depreciation / amortization and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

b) **Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



2.4 Adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Exemptions from Retrospective Application

(i) Business combinations

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2016 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

(ii) Fair value as Deemed Cost

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

(iii) Investments in Subsidiaries, Joint Ventures and Associates

The Company has elected to measure Investments in Subsidiaries, Joint Ventures and Associates at Cost

(iv) The Company has elected for exemption of recognition of lease as provided in para of Ind AS 116 as the characteristics of the Lease comprises of:

- a) It is for a period of less than 12 months.
- b) It does not grant a renewal or extension option to the lessee.
- c) It does not grant a purchase option to the lessee.

Hence, the company has treated the lease arrangement as short term lease and elected the exemption.



20 Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

a) Related Parties:

(i) Subsidiary Company : NIL

(ii) Associates : NIL

(iii) Key Managerial Personnel (KMP)

- NitinkumarDidwania- Director
- Kunal Sharma- Director

(iv) Enterprise over which KMP exercise control: Veritas India Limited

b) Transactions with related parties for the period ended March 31, 2020:

	Subsidiary	Associate	KMP & their relatives	Enterprise over which KMP exercise control	Total
Unsecured Loan Taken (P.Y.)	NIL	NIL	NIL	10,00,000	10,00,000
	NIL	NIL	NIL	(6,80,000)	(6,80,000)
Unsecured Loan Repaid (P.Y.)	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL
Advances Given	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL



c) Balances with related parties as at March 31, 2020:

(Figures in Rs.)

	Subsidiary	Associate	KMP & their relatives	Enterprise over which KMP exercise control	Total
Unsecured Loan (P.Y.)	NIL	NIL	NIL	146,477,872	146,477,872
	NIL	NIL	NIL	(145,477,872)	(145,477,872)
Advances Given	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL

21 Contingent Liabilities : NIL

F.Y.	Nature of Dues	Amount (Rs.)	Status
2013-2014	INCOME TAX	10,72,570	APPEAL FILED WITH CIT APPEAL
2014-2015	INCOME TAX	8,83,800	APPEAL FILED WITH CIT APPEAL
2015-2016	INCOME TAX	28,63,580	APPEAL FILED WITH CIT APPEAL
2016-2017	INCOME TAX	30,07,744	APPEAL FILED WITH CIT APPEAL

22 Auditor's Remuneration:

(Figures in Rs.)

Particulars	For the year ended March 31, 2020	For the period ended March 31, 2019
For services as Statutory Auditors	29,500	29,500
Total	29,500	29,500



23 The Company does not have any dues payable to any micro, small and medium enterprises as at the year end. The identification of the micro, small & medium enterprises is based on management's knowledge of their status. The Company has not received any intimation from the suppliers regarding their status under the MSMED Act 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end, together with interest paid / payable as required under the said act have not been given.

24 Capital Management:

The Company's objective for Capital Management is to maximize shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the Capital requirements based on annual operating plans and long term and other strategic investments plans. The funding requirements are met through equity and operating cash flows generated.

As per our Audit Report of even date attached

For and on Behalf of the Board

For Shabbir & Rita Associates LLP

Chartered Accountants

F.R.N:- 109420W

Shabbir S Bagasrawala

Partner

Membership No.-039865

Place: Mumbai

Date: 16/06/2020



NITINKUMAR DIDWANIA

DIRECTOR

DIN: 00210289

KUNAL SHARMA
DIRECTOR

DIN: 03553398

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
VERITAS POLYCHEM PRIVATE LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of M/s Veritas Polychem Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2020, and its profit and its cash flows and the changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IND AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not determined any matters to be the key audit matters to be communicated in our report.

INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India including the Accounting

Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in Financial Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statement may be influence. We consider quantitative materiality and qualitative factors in I. Planning the scope of our Audit work and in evaluating the result of our work and II. To evaluate the effect of any identified misstatement in the Financial Statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

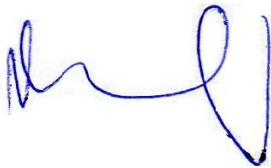
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income and the Cash Flow Statement and Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 including Ind AS;

MILIND MEHTA & COMPANY

22, V.C VANIK NIWAS, GURUKUL LANE
TILAK ROAD GHATKOPAR EAST
MUMBAI -400077.Mobile No.9870365000

- e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For MILIND MEHTA & CO
Chartered Accountants



Milind Mehta
Proprietor
Membership No. 047739
Place of Signature: Mumbai
UDIN No: 20047739AAAABF9985
Date: 16/06/2020



“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020, we report that:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) Since there is no physical Inventory holding in the company, accordingly reporting under Clause 3 (ii) of the order is not applicable to the company.
- 3) According to the information and explanations given to us, the Company has NOT granted unsecured loans to wholly owned subsidiaries covered under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified

by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

MILIND MEHTA & COMPANY

22, V.C VANIK NIWAS, GURUKUL LANE

TILAK ROAD GHATKOPAR EAST

MUMBAI -400077.Mobile No.9870365000

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of equity shares during the year under review and has complied with all the requirements of section 42 of the Companies Act, 2013.

(a) The amounts so raised have been used for the purposes for which the funds were raised by the Company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For MILIND MEHTA & CO
Chartered Accountants



Milind Mehta
Proprietor
Membership No. 047739
Place of Signature: Mumbai
UDIN No: 20047739AAAABF9985
Date: 16/06/2020

Annexure B

REPORT ON INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of The Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s. **VERITAS POLYCHEM PRIVATE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

MILIND MEHTA & COMPANY

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TILAK ROAD GHATKOPAR EAST
MUMBAI -400077.Mobile No.9870365000

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MILIND MEHTA & CO
Chartered Accountants



Milind Mehta
Proprietor
Membership No. 047739
Place of Signature: Mumbai
UDIN No: 20047739AAAABF9985
Date: 16/06/2020

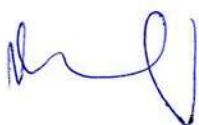
VERITAS POLYCHEM PRIVATE LIMITED				
Balance Sheet for the year ended 31st March 2020				
Particulars		Notes	As at 31 March 2020	As at 31 March 2019
ASSETS				
1	Non-Current Assets			
(a)	Property, Plant and Equipment	3		
	-Capital Work in Progress		33386,38,440	33097,65,287
(b)	Financial Assets			
	- Investments	4	-	-
	- Loans	5	664,82,652	663,64,652
	- Trade Receivables	6	-	-
(c)	Other Non Current Assets	7	5,87,657	1,37,644
	Total Non Current Assets		34057,08,748	33762,67,583
2	Current Assets			
(a)	Inventories	8	-	-
(b)	Financial Assets			
	- Cash and Cash Equivalents	9	997,71,533	939,74,933
	- Loans	10	-	-
	- Other Financial Assets	11	-	-
(c)	Other Current Assets	12	79,23,258	83,63,464
	Total Current Assets		1076,94,791	1023,38,397
	Total Assets		35134,03,540	34786,05,980
EQUITY AND LIABILITIES				
1	Equity			
(a)	Equity Share Capital	13	100,00,000	100,00,000
(b)	Other Equity	14	25945,01,563	10430,40,955
	Total Equity		26045,01,563	10530,40,955
2	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
	- Borrowings	15	9076,20,562	18220,20,762
(b)	Deferred Tax Liabilities (Net)		-	-
	Total Non Current Liabilities		9076,20,562	18220,20,762
3	Current Liabilities			
(a)	Financial Liabilities			
	- Other Financial Liabilities	16	12,81,415	6035,44,263
	Total Current Liabilities		12,81,415	6035,44,263
	Total Equity and Liabilities		35134,03,540	34786,05,980

The accompanying notes forms integral part of the Financial Statements

As per our report of even date attached

For Milind Mehta & Co

Chartered Accountants



Milind Mehta

Proprietor

Membership No.: 047739



For and on behalf of Board of Directors

Nitin Kumar Didwania

Director

DIN : 00210289

Kunal Sharma

Director

DIN : 03553398

Place: Mumbai

Date: 16/06/2020

VERITAS POLYCHEM PRIVATE LIMITED
Statement of Profit and Loss for year ended 31st March 2020

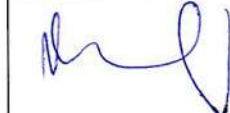
(Amount in Rs.)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Continued operations			
Revenue from Operations		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Manufacturing Costs		-	-
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Stock-in-Trade		-	-
Employee Benefit Expenses		-	-
Depreciation and Amortisation Expenses		-	-
Finance Costs		-	-
Other Expenses		-	-
Prior Period Items		-	-
Total Expenses		-	-
Profit/ (loss) before exceptional items and tax		-	-
Exceptional items		-	-
Profit/ (loss) before tax		-	-
Tax Expense			
a) Current tax		-	-
a) Deferred tax		-	-
Total Tax Expense		-	-
Profit/ (loss) for the period from continuing operations		-	-
Profit/ (loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/ (loss) from discounting operations (after tax)		-	-
Profit/ (loss) for the period		-	-
Other Comprehensive Income			
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		-	-
Earnings per equity share			
a) Basic		-	-
b) Diluted		-	-

The accompanying notes forms integral part of the Financial Statements

As per our report of even date attached

For Milind Mehta & Co
Chartered Accountants



Milind Mehta
Proprietor
Membership No.: 047739



For and on behalf of Board of Directors

Nitin Kumar Didwania
Director
DIN : 00210289

Kunal Sharma
Director
DIN : 03553398

Place: Mumbai
Date: 16/06/2020

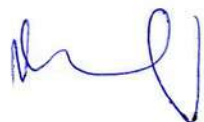
VERITAS POLYCHEM PRIVATE LIMITED
Statement of Cash Flows for the year ended 31st March, 2020

(Amount in Rs.)

Particulars	For the year ended 31st March 2020		For the year ended 31st March 2019	
A Cash Flow From Operating Activities				
Operating Profit before working Capital Changes		-		-
Working Capital Changes				
(Increase)/ther non current assets	(4,50,013)		(194,48,836)	
(Increase)/Decrease in Other Financial assest	(1,18,000)		194,73,823	
(Increase)/Decrease in Other Current Assets	4,40,206		(16,33,399)	
Increase/(Decrease) in Other Financial Liabilities	(15166,63,048)		(4631,35,520)	
(Increase)/Decrease in Working Capital		(15167,90,855)		(4647,43,932)
Cash Generated from Operating Activities		(15167,90,855)		(4647,43,932)
Cash Used (-)/(+) generated for operating activities (A)		(15167,90,855)		(4647,43,932)
B Cash Flow From Investing Activities				
Addition of fixed assests	(288,73,153)		(515,09,777)	
Contribution to equity	15514,60,608		5205,14,259	
Net Cash Used in Investing Activities (B)		15225,87,455		4690,04,483
C Cash Flow From Financing Activities				
Net Cash Used in Financing Activities (C)		-		-
D Net Increase (+)/ Decrease (-) in cash and cash equivalent Cash equivalent (A+B+C)		57,96,600		42,60,551
Cash and Cash Equivalent Opening Balance		939,74,933		897,14,382
Cash and Cash Equivalent Closing Balance		997,71,533		939,74,933
Closing Balances represented by:				
Cash and Bank Balances				
Cash and Cash Equivalents				
(i) Balances with Banks		8,47,356		3,13,680
(ii) Cash on Hand		2,266		1,71,626
Other Bank Balances				
(i) Earmarked Balances with Banks		989,21,911		934,89,627
		997,71,533		939,74,933

The accompanying notes forms integral part of the Financial Statements
As per our report of even date attached

For Milind Mehta & Co
Chartered Accountants



Milind Mehta
Proprietor
Membership No.: 047739



Nitin Kumar Didwania
Director
DIN : 00210289



Kunal Sharma
Director
DIN : 03553398

Place: Mumbai
Date: 16/06/2020

VERITAS POLYCHEM PRIVATE LIMITED

Notes forming integral part of the Balance Sheet as at 31st March, 2020

Note No 3

(i) Property, Plant and Equipment

FIXED ASSETS		Gross Block					Depreciation/Amalgamation					Net Block		
Sr.	Particulars	As at	Adjustment	Addition	Deduction	As at	Depreciation as At 01.04.2019	Adjustment	Addition	Deduction	Excess lease provision	Upto	As on	As on
No.		01.04.2019				31.03.2020						31.03.2020	31.03.2020	31.03.2019
1)	Capital Work in progress Lease Land	390,46,210	3,88,950	-	-	394,35,160	22,73,956	3,88,950	11,26,719	-	30,780	37,58,845	356,76,315	367,72,254
2)	Plant & Machinery	31980,08,470	-	126,76,900	-	32106,85,370	-	-	-	-	-	-	32106,85,370	31980,08,470
3)	Others	749,84,563	-	172,92,192	-	922,76,755	-	-	-	-	-	-	922,76,755	749,84,563
	TOTAL	33120,39,243	3,88,950	299,69,092	-	33423,97,285	22,73,956	3,88,950	11,26,719	-	30,780	37,58,845	33386,38,440	33097,65,287
	Previous Year	32582,55,511	-	537,83,732	-	33120,39,243	-	-	22,73,956	-	-	-	33097,65,287	32582,55,511

Note: Adjustment in the gross block in the lease land of Rs 3,88,950 on account lease rent written off in FY 2016-17 from lease land account, now reinstated Similarly the same adjustment of Rs 3,88,950 is applied to the lease rental write off.



VERITAS POLYCHEM PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

4 INVESTMENTS - NON CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Investments measured at Cost	-	-
	Total	-	-
5 LOANS - NON CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Unsecured, Considered Good Loans and Advances		
	Capital Advance	314,57,652	313,39,652
	Security Deposit	350,25,000	350,25,000
	Total	664,82,652	663,64,652
6 TRADE RECEIVABLES			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Trade Receivables		
	Unsecured	-	-
	Considered Good	-	-
	Considered Doubtful	-	-
	Less : Provision for Expected Credit Loss allowance on doubtful debts	-	-
	Total	-	-
7 Other Non Current Assets			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Loans to WOS	-	-
	Security Deposits Unsecured, Considered Good	-	-
	Loans and Advances to others Unsecured, Considered Good	-	-
	Balances With Government Authorities	5,87,657	1,37,644
	Total	5,87,657	1,37,644
8 INVENTORIES			
	Particulars	As at 31 March 2020	As at 31 March 2019
	(At Lower of Cost Or Net Realizable Value)		
	Stock In Trade	-	-
	Stock In Transit	-	-
	Total	-	-



9 CASH AND CASH EQUIVALENTS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Cash and Cash Equivalents		
(i)	Balances with Banks		
	In Current Accounts	8,47,356	3,13,680
(ii)	Cash on Hand	2,266	1,71,626
	Other Bank Balances		
(i)	Earmarked balances with Banks	989,21,911	934,89,627
	Total	997,71,533	939,74,933
Cash and cash equivalent as per standalone statement of cash Flows			
10 LOANS -CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Unsecured, Considered Good		
	Loans and Advances		
	Capital Advance	-	-
	Total	-	-
11 OTHER FINANCIAL ASSETS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Unsecured, Considered Good		
	Other Advances	-	-
	Total	-	-
12 OTHER CURRENT ASSETS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Unsecured Considered Good		
	Advances for Expenses	4,70,965	-
	Balances With Government Authorities	72,79,536	63,69,264
	Prepaid Expenses	1,72,757	19,94,200
	Total	79,23,258	83,63,464



13 EQUITY SHARE CAPITAL			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Authorised Share Capital Equity Shares of Rs.10 each (CY 1000000 shares of Rs. 10 each) (PY 1000000 shares of Rs.10 each)	100,00,000	100,00,000
	Total	100,00,000	100,00,000
	Issued Subscribed and Paid Up Equity Shares of Rs. 10 each (CY 10,00,000 shares of Rs. 10 each) (PY 10,00,000 shares of Rs. 10 each)	100,00,000	100,00,000
	Total	100,00,000	100,00,000
13.1 The reconciliation of the number of shares outstanding is set out below :			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Equity Shares with Voting Rights		
	Equity Shares at the beginning of the year	10,00,000	10,00,000
	Number of Shares	10,00,000	10,00,000
	Amount		
	Equity Shares at the end of the year		
	Number of Shares	10,00,000	10,00,000
	Amount	100,00,000	100,00,000
	Total		
13.2 The details of Shareholders holding more than 5% shares :			
	Name of the Share holder	As at 31 March 2020	As at 31 March 2019
	Veritas India Ltd (no of shares) 100%	10,00,000.00	10,00,000.00
14 OTHER EQUITY			
	Particulars	As at 31 March 2020	As at 31 March 2019
(i)	Surplus in Statement of Profit and Loss		
	Opening Balance	(93,272)	(93,272)
	Add: Profit for the year	-	-
	Closing Balance	(93,272)	(93,272)
	Capital Contribution from parent Company	25945,94,835	10431,34,227
	Closing Balance	25945,01,563	10430,40,955
	Total	25945,01,563	10430,40,955
15 OTHER FINANCIAL LIABILITIES - NON CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Unsecured loan from Related Parties		
	Director	6820,80,650	3336,80,000
	Others	2255,39,912	14883,40,762
	Total	9076,20,562	18220,20,762
16 OTHER FINANCIAL LIABILITIES - CURRENT			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Statutory Liabilities	1,96,098	1,25,871
	Creditors for Capital Goods	-	6032,59,100
	Other payables	10,85,317	1,59,292
	Total	12,81,415	6035,44,263



17 REVENUE FROM OPERATIONS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Sale of Products (Refer Note 14.1)	-	-
	Total	-	-
17.1 Sale of Products comprises:			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Sales	-	-
	Total	-	-

18 OTHER INCOME			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Lease Rent	-	-
	Total	-	-
19 PURCHASE OF STOCK-IN-TRADE			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Agricultural Expenses	-	-
	Total	-	-



20 CHANGES IN INVENTORIES OF STOCK-IN-TRADE			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Opening Stock - Stock in Trade	-	-
	Total	-	-
	Less: Closing Stock - Stock in Trade	-	-
	Total	-	-
	Net Changes In Inventories	-	-
21 EMPLOYEE BENEFIT EXPENSES			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Employee Cost	-	-
	Total	-	-
22 FINANCE COSTS			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Bank Charges, Commission and Others	-	-
	Total	-	-



23 OTHER EXPENSES			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Audit Fees Electricity Charges Insurance Premium Legal and Professional fees Printing and Stationery Professional Tax Rent, Rates and taxes ROC Filing Charges Telephone, Internet & Postage Charges Miscellaneous and Office Expenses Travelling & Conveyance Expenses Bad Debts		
	Total	-	-
Payment to Auditors as :			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Statutory Audit Fees	-	-
	Total	-	-

24 Deferred Tax Liability / (Assets)			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Deferred Tax	-	-
	Total	-	-

25 EARNINGS PER SHARE (EPS)			
	Particulars	As at 31 March 2020	As at 31 March 2019
	Profit/(Loss) attributable to Equity Shareholders of the company	-	-
	Weighted Average number of Equity Shares (Basic)	10,000.00	10,000.00
	Weighted Average number of Equity Shares (Diluted)	10,000.00	10,000.00
	Basic Earnings per Share	-	-
	Diluted Earnings per Share	-	-
	Face Value per Equity Share	10	10



1. Corporate Information:

To carry on the business in India or elsewhere as manufactures, producers, processors, refiners, formulator, preparers, exporter, importer, buyer, seller, distributor, dealer, stockiest, supplier and to deal in chemicals, petro-chemicals including but not limited to monomers like, Vinyl Chloride Monomer, Vinyl Acetate Monomers, Ethylene, Propylene, Butadiene, Vinyl polymers including all grades of Poly Vinyl Chloride (PVC) and its compounds, chlorinated PVC, chloralkalies, Ethylene Dichloride, plasticized products, alkalies, Chlorine and its compounds, liquefied gases like LPG, LNG, CNG, PNG etc. Fuel Oils, Gas oils, heavy and light petroleum stocks and distillates, different organic catalysts, activators, initiators, caustic soda, caustic potash, all acids, hydrochloric acids, oxidizing and bleaching agents, bromides, bromine, soda ash, sodium hydroxide, sodium bicarbonate, sodium carbonate, aromatics, polymers, plastics, resins, all kinds of solvents, intermediates, ingredients, derivatives, compounds, mixtures, source materials and diluents, reactive agents, feedstocks and to manufacture downstream products available from petrochemicals, natural gases, coal tar, plant sources, hydro carbons, liquid fuels and chemicals.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation of Financial Statements:

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013

Upto the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP"

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- (i). Derivative financial instruments
- (ii). certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Company's Financial Statements are presented in Indian Rupees, which is also its functional currency. The unit of presentation is Indian rupees in lakhs.

All other Assets are classified as Non-Current.

A Liability is current when:

- a). It is expected to be settled in normal operating cycle;
- b). It is held primarily for the purpose of trading;



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

- c). It is due to be settled within twelve months after the reporting period, or
- d). There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other Liabilities as Non-Current.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in Cash and Cash Equivalents. The Company has identified twelve months as its operating cycle.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID -19 on the carrying amounts of receivables. Unbilled revenues and investment in subsidiaries In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic , the Company ,as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amounts of these assets will be recovered, The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

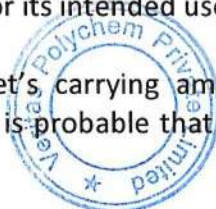
(b) Use of Estimates:

The preparation of financial statements in conformity with the 'Indian GAAP' requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized. Example of such estimates includes provision for doubtful debts, employee benefits, provision for income taxes and provisions for impairment etc.

(c) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

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



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on all Property, Plant and Equipment is provided based on useful life prescribed in Schedule II of the Companies Act, 2013 under Straight Line Method. As and when put to use.

The company has in an earlier financial year carried out assessment of useful lives of these assets and based on technical justification, different useful lives have been arrived at in respect of above assets. The justification for adopting different useful life compared to the useful life of assets provided in Schedule II is based on the business specific environment & usage, consumption pattern of the assets, past performance of similar assets and peer industry comparison duly supported by technical assessment by a Chartered Engineer.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Capital Work in Progress

Cost of Assets not ready for intended use, as on the Balance Sheet date, is shown under capital work in progress. All expenses incidental to the acquisition of the asset along with landed cost, day to day revenue expenditure are capitalized until the commissioning of the asset. The revenue generated out of deposits/guarantees for customs and/or other business purposes or statutory obligations are capitalized till the assets are commissioned.

(d) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.



Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(e) Intangible Assets and Amortisation

Intangible Assets are stated at cost of acquisition less accumulated amortisation /depletion and impairment loss, if any.

Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets of the company comprises of Software which is amortized over a period of 5 years.

(f) Impairment of Non-Financial Assets - Property, Plant & Equipment and Intangible Assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and Intangible Assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The impairment loss recognised in



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(g) Inventories :

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase and other overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. The valuation of inventories is done on FIFO Method.

(h) Finance Cost:

Borrowing Costs includes Interest, amortisation of ancillary cost incurred in connection with the arrangement of Borrowings and exchange differences arising from Foreign Currency Borrowings to the extent they are regarded as an adjustment to the Interest Costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(i) Provisions :

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

(j) Employee Benefit Expenses :

(i). Short Term Employee Benefits

All Employee Benefits payable wholly within twelve month of rendering the service are classified as Short Term Employee Benefits and they are recognised in the period in which the employee renders the related service.

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.



(ii). Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly payments to Employee State Insurance Scheme, Provident Fund Scheme and Government administered Pension Fund Scheme for all applicable employees. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on Projected Unit cost method made at the end of each financial year. Actuarial gains/(losses) are recognised directly in other comprehensive income. This benefit is presented according to present value after deducting the fair value of the plan assets. The Company determines the net interest on the net defined benefit liability (asset) in respect of a defined benefit by multiplying the net liability (asset) in respect of a defined benefit by the discount rate used to measure the defined benefit obligation as they were determined at the beginning of the annual reporting period.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Accumulated leave is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other Long Term Employee Benefits

The employees of the company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method.

(k) Tax Expenses :

The tax expense for the period comprises Current and Deferred Tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current Tax



Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Minimum Alternative tax (MAT) Credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay Income Tax under the normal provisions during the specified period, resulting in utilisation of MAT Credit. In the Year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants' of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will utilise MAT Credit during the specified period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

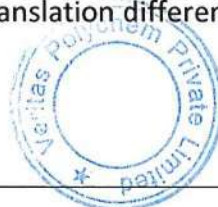
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount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

(I) Foreign currencies transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

(m) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

Interest Income

Interest Income from a financial asset is recognized using effective interest rate method. The revenue generated out of deposits/guarantees for customs and/or other business purposes or statutory obligations are capitalized till the assets are commissioned.

Dividends

Dividends are recognised when the company's right to receive the payment has been established.

(n) Financial Instruments

Financial Assets

Initial Recognition and Measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose



objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Equity Investments

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

Other Equity Investments

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 the statement of profit and loss, 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 statement of profit and loss.

Derecognition

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

- a). The rights to receive cash flows from the asset have expired, or
- b). The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either



- (i). the Company has transferred substantially all the risks and rewards of the asset, or
- (ii). the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

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

- a). Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- b). Financial assets that are debt instruments and are measured as at FVTOCI
- c). Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these standalone financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- a). Trade Receivables and
- b). Other Receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other 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 a subsequent period, 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 recognising impairment loss allowance based on 12-month ECL.



Lifetime ECL 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 reporting date.

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 cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- a). All contractual terms of the financial instrument (including prepayment, extension, call and similar options) 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.
- b). Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- c). Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL 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.

Financial Liabilities

Initial Recognition and Measurement

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

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

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

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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 recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

Derivative Financial Instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments- forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is



positive and as financial liabilities when the fair value is negative.

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:

- a). In the principal market for the asset or liability, or
- b). In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised 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:

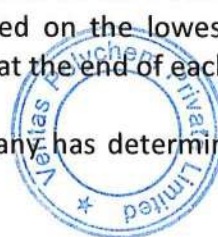
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

13. Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

a) Related Parties:

(i) Subsidiary Company : NIL

(ii) Associates : NIL

(iii) Key Managerial Personnel (KMP)

- NitinkumarDidwania- Director
- Kunal Sharma- Director
- Praveen Bhatnagar- Director

(iv) Enterprise over which KMP exercise control

- Veritas (India) Ltd
- Hazel Mercantile Limited
- Aspen International Pvt Ltd
- Veritas Infra & Logistic Pvt Ltd
- Veritas Housing Development Pvt Ltd

b) Transactions with related parties for the period ended March 31, 2020:

(Figures in Rs.)

	Subsidiary	Associate	KMP & their relatives	Enterprise over which KMP exercise control including holding company	Total
Unsecured Loan Taken (P.Y.)	NIL (NIL)	NIL (NIL)	562,900,650 (NIL)	225,539,912 (795,914,259)	788,440,562 (795,914,259)
Unsecured Loan Repaid (P.Y.)	NIL (NIL)	NIL (NIL)	214,500,000 (NIL)	1,488,340,762 (775,700,000)	1,702,840,762 (775,700,000)
Rent paid	382,248 (382,250)	NIL (NIL)	NIL (NIL)	833636 (833,636)	1,215,884 (1,215,886)



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

c) Balances with related parties as at March 31, 2020:

	Subsidiary	Associate	KMP & their relatives	Enterprise over which KMP exercise control	Total
Unsecured Loan (P.Y.)	NIL NIL	NIL NIL	68,20,80,650 (33,36,80,000)	225,539,912 (2,531,474,989)	907,620,562 (2,865,154,989)
Deposit	20,000,000 (20,000,000)	NIL (NIL)	NIL (NIL)	15,000,000 (15,000,000)	35,000,000 (35,000,000)
Amount Payable (P.Y.)	NIL (NIL)	2,98,672 (NIL)	NIL (NIL)	NIL (NIL)	2,98,672 (NIL)

Note:

a) The Company has taken unsecured loans for its project of PVC plant at Dighi Port. The unsecured loan and advance received are long term in nature & does not bear any interest element as per the agreements executed internally between the lenders & the Company.

b) Amount received from the holding company was grouped under other equity as capital contribution from parent company total amounting to Rs.2,59,45,94,835 outstanding as at 31st March 2020. (PY Rs .1,04,31,34,227)

14. Equity Share (EPS):

The Company reports basic and diluted earnings Per Share (LPS) in accordance with Ind As 33 on Earnings Per Share. However there is no income/loss during the reporting year.

15. Contingent Liabilities: NIL

16. Auditor's Remuneration:

(Figures in Rs.)

Particulars	For the year ended March 31,2020	For the period ended March 31,2019
For services as Statutory Auditors	1,00,000	1,00,000
Total	1,00,000	1,00,000

- 17.** The Company does not have any dues payable to any micro, small and medium enterprises as at the year end. The identification of the micro, small & medium enterprises is based on management's knowledge of their status. The Company has not received any intimation from the suppliers regarding their status under the MSMED Act 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end, together with interest paid / payable as required under the said act have not been given.



Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

18. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current assets, loans & advances, deposits in the ordinary course of business will not be less than the value stated in the Balance sheet. The liabilities on account of supply of goods & services are also not more than the value of liabilities except written off on account of shortage/rate Difference/contract performance/Quality Issues etc.

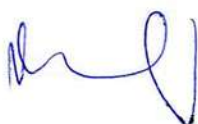
19. Leases :

- a) The Company has taken commercial space on an operating leases basis. The lease rentals are payable by the company on a monthly/quarterly basis.
b) Future minimum lease rentals payable as at 31/03/2020 as per the lease agreements:

Particulars	For the year ended 31/03/2020	For the year ended 31/03/2019
Not later than one year	1,215,884	1,215,886

As per our Audit Report of even date attached

For Milind Mehta & Co
Chartered Accountants



Milind Mehta
Proprietor
Membership No.- 047739

Place: Mumbai

Date: 16/06/2020



For and on Behalf of the Board



NITINKUMAR DIDWANIA
DIRECTOR
DIN: 00210289



KUNAL SHARMA
DIRECTOR
DIN: 03553398

Notes forming part of the Balance Sheet as at March 31, 2020 and Statement of Profit and Loss for the year ended March 31, 2020

and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(o) **Cash and Cash Equivalents**

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

(p) **Earnings per share**

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

For the purpose of calculating diluted earnings per share, the net profit after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) **Segment Reporting**

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company conclude that it operates under one reporting segment.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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



Shabbir & Rita Associates LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
M/S VERITAS INFRA & LOGISTICS PVT LTD

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of M/s Veritas Infra & Logistics Pvt Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit (or Loss)* and cash flows for the year ended on that date.

BASIS OF OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company. Chartered Accountants

INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in Financial Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statement may be influence. We consider quantitative materiality and qualitative factors in I. Planning the scope of our Audit work and in evaluating the result of our work and II. To evaluate the effect of any identified misstatement in the Financial Statements.



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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.



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CHARTERED ACCOUNTANTS

- f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For SHABBIR & RITA ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 109420W



Shabbir S Bagasrawala

Partner

Membership No. 039865

Place of Signature: Mumbai

Date: 16/06/2020

UDIN : 20039865AAAACM2184



Shabbir & Rita Associates LLP

CHARTERED ACCOUNTANTS

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020, we report that:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Fixed Assets have been physically verified (wherever necessary) by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) Since there is no physical Inventory holding in the company, accordingly reporting under Clause 3 (ii) of the order is not applicable to the company.
- 3) According to the information and explanations given to us, the Company has NOT granted unsecured loans to wholly owned subsidiaries covered under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



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CHARTERED ACCOUNTANTS

- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment of equity shares during the year under review and has complied with all the requirements of section 42 of the Companies Act, 2013.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For SHABBIR & RITA ASSOCIATES LLP

Chartered Accountants

Firm's Registration No. 109420W

Shabbir S Bagasrawala

Partner

Membership No. 039865

UDIN: 20039865AAAACM218

Place of Signature: Mumbai

Date: 16/06/2020



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Balance Sheet for the period ended 31st March 2020

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3	165,41,846	172,07,698
(b) Other Non Current Assets	4	66,372	-
Total Non Current Assets		166,08,218	172,07,698
2 Current Assets			
(a) Financial Assets			
(i) - Trade Receivables	5	2,98,672	-
(ii) - Cash and Cash Equivalents	6	1,19,170	2,04,797
(b) Other Current Assets	7	68,592	1,32,744
Total Current Assets		4,86,434	3,37,541
Total Assets		170,94,652	175,45,239
EQUITY AND LIABILITIES			
Equity			
1 (a) Equity Share Capital	8	1,00,000	1,00,000
(b) Other Equity	9	(9,48,930)	(9,13,023)
Total Equity		(8,48,930)	(8,13,023)
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) - Other Financial Liabilities	10	179,38,862	183,36,642
Total Non Current Liabilities		179,38,862	183,36,642
3 Current Liabilities			
(a) Financial Liabilities			
(i) - Other Financial Liabilities	11	4,720	21,620
Total Current Liabilities		4,720	21,620
Total Equity and Liabilities		170,94,652	175,45,239

The accompanying notes forms integral part of the Financial Statements

As per our report of even date attached

For Shabbir and Rita Associates LLP
Chartered Accountants
Firm Regd. No.: 109420W

Shabbir S Bagasrawala
Partner
Membership No.: C39865

Place: Mumbai
Date: 16/06/2020



For and on behalf of Board of Directors

Nitin Kumar Didwania
Director
DIN : 00210289

Kunal Sharma
Director
DIN : 03553398



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Statement of Profit and Loss for year ended 31st March 2020

(Amount in Rs.)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from Operations		-	-
Other Income	12	6,73,934	6,63,716
Total Revenue		6,73,934	6,63,716
Expenses			
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Stock-in-Trade		-	-
Employee Benefit Expenses		-	-
Depreciation and Amortisation Expenses	3	6,65,852	10,90,742
Finance Costs	13	295	366
Other Expenses	14	43,694	25,463
Total Expenses		7,09,841	11,16,571
Profit/ (loss) before exceptional items and tax		(35,907)	(4,52,855)
Exceptional items		-	-
Profit/ (loss) before tax		(35,907)	(4,52,855)
Tax Expense			
a) Current tax		-	-
b) Income Tax Adjustment		-	-
b) Deferred tax		-	-
Total Tax Expense		-	-
Profit/ (loss) for the period		(35,907)	(4,52,855)
Other Comprehensive Income			
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		(35,907)	(4,52,855)
Earnings per equity share	15		
a) Basic		(3.59)	(45.29)
b) Diluted		(3.59)	(45.29)

The accompanying notes forms integral part of the Financial Statements

As per our report of even date attached

For Shabbir and Rita Associates LLP
Chartered Accountants
Firm Regd. No.: 109420W

Shabbir S Bagasrawala
Partner
Membership No.: 039865

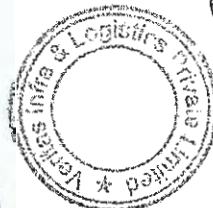
Place: Mumbai
Date: 16/06/2020



For and on behalf of Board of Directors

Nitin Kumar Bidwania
Director
DIN : 00210289

Kunal Sharma
Director
DIN : 03553398



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Statement of Cash Flows for the period ended 31st March, 2020

Particulars	For the year period ended 31st March 2020		For the year period ended 31st March 2019	
A Cash Flow From Operating Activities				
Profits before Tax		(35,907)		(4,52,855)
Add/(Less):				
Interest & Finance Charges	295	6,65,147	366	10,91,108
Operating Profit before working Capital Changes		6,30,240		6,38,259
Working Capital Changes				
(Increase)/Decrease in Trade Receivables	-	-	-	-
(Increase)/Decrease in Short Term Loans and Advances	(16,372)	(16,372)	(16,372)	(16,372)
Increase/(Decrease) in Other Current Liabilities	(16,900)	(17,470)	(17,470)	(17,470)
(Increase)/Decrease in Working Capital		(33,272)		(33,842)
Cash Used (-)/generated for operating activities (A)		5,96,968		6,04,411
B Cash Flow From Investing Activities				
Proceeds from disposal of Fixed Assets	-	-	-	-
Net Cash Used in Investing Activities (B)		-		-
C Cash Flow From Financing Activities				
(Repayment of)/Proceeds from Short Term Borrowings	-	-	-	-
Repayments of Long Term Borrowings	3,97,780	13,61,454	13,61,454	13,61,454
Interest Paid	(295)	(366)	(366)	(366)
Net Cash Used in Financing Activities (C)		3,97,485		13,61,088
D Net Increase (+)/ Decrease (-) in cash and cash equivalent Cash equivalent (A+B+C)		9,94,453		19,65,499
Cash and Cash Equivalent Opening Balance		2,04,797		10,12,206
Cash and Cash Equivalent Closing Balance		1,19,170		2,04,797
Opening Balances represented by:				
Cash and Bank Balances				
Cash and Cash Equivalents				
(i) Balances with Banks		1,00,669		9,04,777
(ii) Cash on Hand		1,04,128		1,07,429
Other Bank Balances				
(i) Earmarked Balances with Banks		-		-
(ii) Against Margin Money for SLBC		-		-
		2,04,797		10,12,206
Closing Balances represented by:				
Cash and Bank Balances				
Cash and Cash Equivalents				
(i) Balances with Banks		15,042		1,00,669
(ii) Cash on Hand		1,04,128		1,04,128
Other Bank Balances				
(i) Earmarked Balances with Banks		-		-
(ii) Against Margin Money for SLBC		-		-
		1,19,170		2,04,797

The accompanying notes forms integral part of the Financial Statements
As per our report of even date attached

For Shabbir and Rita Associates LLP
Chartered Accountants
Firm Regd. No.: 109420W

Shabbir S Bagasrawala
Partner
Membership No: 039865

Place: Mumbai
Date: 16/06/2020



Nitin Kumar Didwania
Director
DIN : 00210289

Kunal Sharma
Director
DIN : 08553398

VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Statement of Changes in Equity as on 31st March, 2020

(Amount in Rs.)

A. EQUITY SHARE CAPITAL

Particular	March 31,2020	March 31,2019
Outstanding at the beginning of the year	1,00,000	1,00,000
Changes in Equity Share Capital during the Financial Year	-	-
Outstanding at the end of the year	1,00,000	1,00,000

B. OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2018				
Balance at the beginning of the reporting period i.e. 1st April, 2018	-	(4,60,168)		(4,60,168)
Profit for the year	-	(4,52,855)		(4,52,855)
Balance at the end of the reporting period i.e. 31st March, 2019	-	(9,13,023)	-	(9,13,023)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Retained Earnings	Others	
AS ON 31 MARCH 2019				
Balance at the beginning of the reporting period i.e. 1st April, 2019	-	(9,13,023)	-	(9,13,023)
Profit for the year	-	(35,907)	-	(35,907)
Balance at the end of the reporting period i.e. 31st March, 2020	-	(9,48,930)	-	(9,48,930)

The accompanying notes forms integral part of the Financial Statements

As per our report of even date attached

For Shabbir and Rita Associates LLP
Chartered Accountants
Firm Regd. No.: 109420W

Shabbir S Bagasrawala
Partner
Membership No.: 039865



Place: Mumbai
Date: 15/06/2020



Nitin Kumar Didwania
Director
DIN : 00210289
Kunal Sharma
Director
DIN : 03553398

VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

1 Corporate Information

To carry on in India or elsewhere the business of infrastructure activities such as development, maintenance and operations of all types of infrastructural projects or facilities including Port related activities, development of Port and other related activities thereto, transportation of all types, Management and Collection of Tolls, Storage & warehousing infrastructure & facilities, Water management, Waste Management, Industrial Park, Agricultural Park, Bio Technology Parks, Amusement Parks, such other parks and zones as may be permitted by the concerned authorities, Commercial and Social development, redevelopment and maintenance, Housing Projects, Power, Petroleum and natural gas, mining and related activities, Technology related infrastructure, manufacture, buying, selling, dealing, importing, exporting of components & materials or any other utilities or facilities used by and/or for infrastructure projects and to buy, sell, lease, sub-lease any type of immovable and movable properties, and to act as Builders, Developers, Contractors, Sub-Contractors, Civil Engineers, Surveyors, Town Planners, Architect, Consultants, Commissioning agents, Estimators and Valuers for designing, engineering, erection, laying, construction, commissioning & maintenance of infrastructure projects or facilities and to enter into any contracts, agreements, memorandum of understandings, joint ventures, arrangements or such other mode of contract with Government of India, State Governments, municipal or local authorities, bodies corporate, persons or such other authorities, on such manner or methods for the purpose of carrying out the foregoing objects and to obtain from them the rights of all sorts for assistance, privileges, charters, licenses, approvals, no-objects and concessions, as may be necessary or incidental in the connection."

2.1 Basis of Preparation and Presentation

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These Financial Statements are the Company's first Ind AS Financial Statements.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- (i). Derivative financial instruments
- (ii). Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Company's Financial Statements are presented in Indian Rupees, which is also its functional currency. The unit of presentation is Indian rupees in lakhs.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID -19 on the carrying amounts of receivables. Unbilled revenues and investment in subsidiaries In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic , the Company ,as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information,economic forecasts The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amounts of these assets will be recovered, The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

2.2 Summary of Significant Accounting Policies

a). Current / Non- Current Classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/ Non-Current classification.

An Asset is treated as current when it is:

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

All other Assets are classified as Non-Current.

A Liability is current when:

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

The Company classifies all other Liabilities as Non-Current.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash Equivalents. The Company has identified twelve months as its operating cycle.

b). Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on all Property, Plant and Equipment is provided based on useful life prescribed in Schedule II of the Companies Act, 2013 under Straight Line Method.

The company has in an earlier financial year carried out assessment of useful lives of these assets and based on technical justification, different useful lives have been arrived at in respect of above assets. The justification for adopting different useful life compared to the useful life of assets provided in Schedule II is based on the business specific environment & usage, consumption pattern of the assets, past performance of similar assets and peer industry comparison duly supported by technical assessment by a Chartered Engineer.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c). Leases



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

d). Intangible Assets and Amortisation

Intangible Assets are stated at cost of acquisition less accumulated amortisation /depletion and impairment loss, if any.

Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets of the company comprises of Software which is amortized over a period of 5 years.

e). Finance Costs

Borrowing Costs includes Interest, amortisation of ancillary cost incurred in connection with the arrangement of Borrowings and exchange differences arising from Foreign Currency Borrowings to the extent they are regarded as an adjustment to the Interest Costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

f). Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase and other overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. The valuation of inventories is done on FIFO Method.

g). Impairment of Non-Financial Assets - Property, Plant & Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and Intangible Assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

h). Provisions

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

i). Employee Benefit Expenses

(i). Short Term Employee Benefits

All Employee Benefits payable wholly within twelve month of rendering the service are classified as Short Term Employee Benefits and they are recognised in the period in which the employee renders the related service.

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii). Post Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly payments to Employee State Insurance Scheme, Provident Fund Scheme and Government administered Pension Fund Scheme for all applicable employees. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on Projected Unit cost method made at the end of each financial year. Actuarial gains/(losses) are recognised directly in other comprehensive income. This benefit is presented according to present value after deducting the fair value of the plan assets. The Company determines the net interest on the net defined benefit liability (asset) in respect of a defined benefit by multiplying the net liability (asset) in respect of a defined benefit by the discount rate used to measure the defined benefit obligation as they were determined at the beginning of the annual reporting period.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Accumulated leave is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other Long Term Employee Benefits

The employees of the company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

j). Tax Expenses

The tax expense for the period comprises Current and Deferred Tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Minimum Alternative tax (MAT) Credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay Income Tax under the normal provisions during the specified period, resulting in utilisation of MAT Credit. In the Year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants' of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will utilise MAT Credit during the specified period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

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

by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

k). Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

l). Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

Revenue from Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and cash discounts.

Revenue from Electricity Generation

Sale of Power is recognised at the point of transmission of electricity generated from Windmill.

Interest Income

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

Dividends

Dividends are recognised when the company's right to receive the payment has been established.

m). Financial Instruments

(i). Financial Assets

Initial Recognition and Measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent Measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

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

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Equity Investments

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

Other Equity Investments

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 the statement of profit and loss, 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 statement of profit and loss.

Derecognition

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

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

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

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

Impairment of financial assets

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

- a). Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- b). Financial assets that are debt instruments and are measured as at FVTOCI
- c). Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables' in these standalone financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- a). Trade Receivables and
- b). Other Receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

For recognition of impairment loss on other 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 a subsequent period, 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 recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL 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 reporting date.

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 cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- a). All contractual terms of the financial instrument (including prepayment, extension, call and similar options) 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.
- b). Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- c). Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL 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.

(ii). Financial Liabilities

Initial Recognition and Measurement

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

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

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

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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 recognised in the profit or loss.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

(iii). Derivative Financial Instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments- forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(iv). 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:

- a). In the principal market for the asset or liability, or
- b). In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised 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.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

n). Cash and Cash Equivalents

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

o). Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit after tax for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p). Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company conclude that it operates under one reporting segment.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

a). Depreciation / amortisation and useful lives of property plant and equipment / intangible assets



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b). Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c). Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d). Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

e). Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.4 First Time Adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Exemptions from Retrospective Application

(i). Business combinations

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2016 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

(ii). Fair value as Deemed Cost

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

(iii). Investments in Subsidiaries, Joint Ventures and Associates

The Company has elected to measure Investments in Subsidiaries, Joint Ventures and Associates at Cost



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

3. PROPERTY, PLANT AND EQUIPMENT

Description									Net Block		
	As at 31st March, 2019	Additions	Deletions	As at 31st March, 2020	As at 31st March, 2019	Additions	Short Provision of Earlier year	Deletions	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Tangible Assets											
Leased Land (14.91 acres)	160,17,200	-	-	160,17,200	9,99,058	4,57,634	74,189	-	15,30,881	144,86,319	150,18,142
Leased Land (7.229 acres)	22,81,240	-	-	22,81,240	91,684	65,178	68,850	-	2,25,713	20,55,527	21,89,556
Total Tangible Assets	182,98,440	-	-	182,98,440	10,90,742	5,22,813	1,43,039	-	17,56,594	165,41,846	172,07,698
Total Property, Plant and Equipment	182,98,440	-	-	182,98,440	10,90,742	5,22,813	-	-	17,56,594	165,41,846	172,07,698



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED

Notes to Financial Statements for the period ended 31st March, 2020

4 OTHER NON CURRENT ASSETS

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, Considered Good Statutory Balances Recoverable (TDS)	66,372	-
Total	66,372	-

5 TRADE RECEIVABLES

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivables Unsecured Considered Good	2,98,672	-
Total	2,98,672	-

6 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and Cash Equivalents		
(i) Balances with Banks In Current Accounts	15,042	1,00,669
(ii) Cash on Hand	1,04,128	1,04,128
Total	1,19,170	2,04,797
Cash and Cash Equivalents as per Statement of Cash Flows	1,19,170	2,04,797

7 OTHER CURRENT ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, Considered Good Statutory Balances Recoverable (TDS)	68,592	1,32,744
Total	68,592	1,32,744



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

8 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised Share Capital Equity Shares of ₹ 10 each (CY 10,000 shares of ₹ 10 each) (PY 10,000 shares of ₹ 10 each)	1,00,000	1,00,000
Total	1,00,000	1,00,000
Issued Subscribed and Paid Up Equity Shares of ₹ 10 each (CY 10,000 shares of ₹ 10 each) (PY 10,000 shares of ₹ 10 each)	1,00,000	1,00,000
Total	1,00,000	1,00,000

8.1 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 March 2020	As at 31 March 2019
Equity Shares at the beginning of the year	10,000	10,000
Add/Less: Changes in Equity Shares	-	-
Equity Shares at the end of the year	10,000	10,000

8.2 The details of shareholders holding more than 5% shares :

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
VERITAS INDIA LTD.	10,000	100	10,000	100

9 OTHER EQUITY

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Surplus in Statement of Profit and Loss		
Opening Balance	(9,13,023)	(4,60,168)
Add: Profit for the year	(35,907)	(4,52,855)
Closing Balance	(9,48,930)	(9,13,023)
Total	(9,48,930)	(9,13,023)

10 OTHER FINANCIAL LIABILITIES - NON CURRENT

Particulars	As at 31 March 2020	As at 31 March 2019
Deposit-VPPL	150,00,000	150,00,000
Unsecured loan from Holding Company	29,38,862	33,36,642
Total	179,38,862	183,36,642

11 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables	4,720	21,620
Total	4,720	21,620



VERITAS INFRA AND LOGISTICS PRIVATE LIMITED
Notes to Financial Statements for the period ended 31st March, 2020

12 OTHER INCOME

Particulars	As at 31 March 2020	As at 31 March 2019
Lease Rent	6,63,716	6,63,716
Other	10,218	-
Total	6,73,934	6,63,716

13 FINANCE COSTS

Particulars	As at 31 March 2020	As at 31 March 2019
On Term Loans		
- Interest on Term Loan	-	-
- Interest on Car Loan	-	-
On Working Capital Loans		
- Bank Interest (Refer 24.1)	-	-
- Bank Charges, Commission and Others	295	365
Total	295	366

14 OTHER EXPENSES

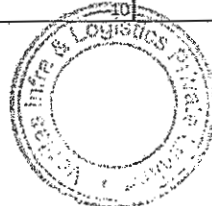
Particulars	As at 31 March 2020	As at 31 March 2019
Audit Fees	4,720	5,440
ROC Fees	33,524	4,343
Legal and professional fees	2,950	12,180
Professional Tax	2,500	2,500
Interest & Penalty on TDS	-	1,000
Total	43,694	25,463

14.1 Payment to Auditors as :

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory Audit Fees	4,720	4,720
Total	4,720	4,720

15 EARNINGS PER SHARE (EPS)

Particulars	As at 31 March 2020	As at 31 March 2019
(i). Profit/(Loss) attributable to Equity Shareholders of the Company	(35,907)	(4,52,855)
(ii). Weighted Average number of Equity Shares (Basic)	10,000.00	10,000.00
(iii). Weighted Average number of Equity Shares (Diluted)	10,000.00	10,000.00
(iv). Basic Earnings per Share	(3.59)	(45.29)
(v). Diluted Earnings per Share	(3.59)	(45.29)
(vi). Face Value per Equity Share	10	10



16 Related Party Disclosures :

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

- a) Related Parties:
- Subsidiary Company : NIL
 - Associates : NIL
 - Key Managerial Personnel (KMP)
 - Nitin kumar Didwania- Director
 - Kunal Sharma- Director
 - Praveen Bhatnagar- Director
 - Enterprise over which KMP exercise control
 - Veritas (India) Limited

a) Transactions with related parties for the period ended March 31, 2020:

	Holding	Subsidiary	Associate	KMP & their relatives	Enterprise over which KMP exercise control	Total (Figures in Rs.)
Unsecured Loan Taken (P.Y.)	2,220 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,220 (NIL)
Unsecured Loan Repaid (P.Y.)	4,00,000 (13,61,454)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	4,00,000 (13,61,454)
Rent Received from VPPL	NIL (NIL)	66,37,16 (66,37,16)	NIL (NIL)	NIL (NIL)	NIL (NIL)	66,37,16 (66,37,16)

b) Balances with related parties as at March 31, 2020:

	Holding	Subsidiary	Associate	KMP & their relatives	Enterprise over which KMP exercise control	Total (Figures in Rs.)
Unsecured Loan (P.Y.)	29,38,862 (33,36,642)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	29,38,862 (33,36,642)
Deposit Received From VPPL (P.Y.)	NIL (NIL)	1,50,00,000 (1,50,00,00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	1,50,00,000 (1,50,00,00)
Amount Receivable From VPPL (P.Y.)	NIL (NIL)	2,98,672 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	2,98,672 (NIL)



17 Contingent Liabilities : NIL

18 Auditor's Remuneration:

(Figures in Rs.)

Particulars	For the year ended March 31,2020	For the Year ended March 31,2019
For services as Statutory Auditors	4,720	4,720
Total	4,720	4,720

19 The Company does not have any dues payable to any micro, small and medium enterprises as at the year end. The identification of the micro, small & medium enterprises is based on management's knowledge of their status. The Company has not received any intimation from the suppliers regarding their status under the MSMED Act 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end, together with interest paid / payable as required under the said act have not been given.

20 In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current assets, loans&advances, deposits, in the ordinary course of business will not be less than the value stated in the Balance sheet. The liabilities on account of supply of goods & services are also not more than the value of liabilities except written off on account of shortage/rate Difference/contract performance/Quality Issues etc.



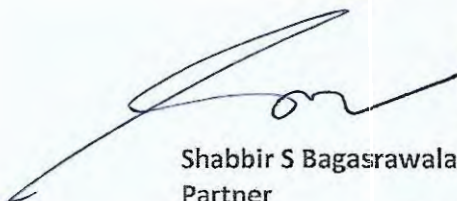
21 Previous year Comparatives:

These Financial statements have been prepared in the format prescribed by the Revised Schedule II to the Companies Act, 2013. Previous year's figures have been regrouped, reclassified wherever necessary to correspondence with the current year's classification/disclosures.

As per our Audit Report of even date attached

For Shabbir& Rita Associates LLP
Chartered Accountants
F.R.N:- 109420W

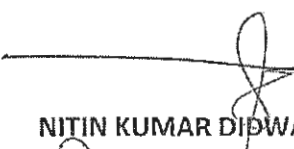
For and on Behalf of the Board


Shabbir S Bagasrawala
Partner
Membership No.- 039865



Place: Mumbai

Date: 16/06/2020


NITIN KUMAR DIDWANIA
DIRECTOR
DIN: 00210289


KUNAL SHARMA
DIRECTOR
DIN: 03553398



HAZEL INTERNATIONAL FZE
Audited Financial Statements
31 March 2020

Registered address

Plot No # 1A-08
Hamriyah Free Zone
Sharjah- U.A.E.

HAZEL INTERNATIONAL FZE
Audited Financial Statements
31 March 2020

<u>CONTENTS</u>	<u>PAGE</u>
Company Information	1
Director's Report	2
Independent Auditors' Report	3-4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-24

HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Company Information

Office address : Plot No # 1A-08
Hamriyah Free Zone
Sharjah- United Arab Emirates

Shareholder's :

Name	Nationality
M/S Veritas (India) Ltd	India

Auditors : Youssry & Co. Auditing & Consultancy
Sharjah, UAE

Principal Banks : National Bank of Fujairah
Union Bank of India
State Bank of India
Ajman Bank
United Arab Bank
National Bank of Oman

HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Director's Report

The Director has the pleasure in presenting his report and the audited financial statements for the year ended March 31, 2020.

Financial review:

	<u>2020</u> USD	<u>2019</u> USD
Revenue	12,718,493	6,811,878
Gross profit	6,473,200	2,070,252
Gross profit margin	50.90%	30.39%
Net profit /(Loss) for the year	5,738,628	(5,356,906)

Director's role & responsibilities:

The Director is the Entity's principal decision-maker and has the overall responsibility of leading and supervising the Entity and to deliver sustainable growth to the shareholders. He monitors performance of the Entity's business, guides and supervises its management.

The Managing Director recognizes his responsibility to ensure the existence of the internal control systems and for reviewing its continued effectiveness. In view of the above, the management has in place a management information system that facilitates financial and other information being periodically reported on a transparent basis to the management and that in turn helps management to mitigate risks to the extent feasible.

Clarification on Contingent liability

With reference to the contingent liability mentioned in the notes to account the management wants to clarify that the litigation is ongoing in UAE and simultaneously arbitration proceeding is ongoing in India. The Company has filed appropriate claim / counter claim to safeguard its interest. Though the company has recognized the principal liability on the disputed bills, the facts are strongly in the favour of the company and management is confident that the arbitration shall be in the companies favour, upon which the said liability shall be reversed.

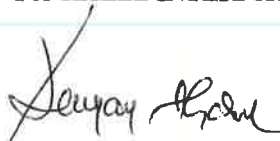
Auditors:

M/s Youssry & Co. Auditing & Consultancy, is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

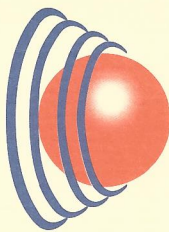
Acknowledgements:

The Management wishes to place on record their sincere gratitude for the continuous support extended by various government departments, financial institutions, suppliers, employees and all well wishers.

For HAZEL INTERNATIONAL FZE


Director





Independent Auditors' Report to the Shareholder of HAZEL INTERNATIONAL FZE

Report on the Audited Financial Statements

Opinion

We have audited the accompanying financial statements of **HAZEL INTERNATIONAL FZE** which comprises of the statement of financial position as of **31 March 2020**, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory

In our opinion, except for the Emphasis of Matter paragraph below, the financial statements present fairly, in all material respects, the financial position of **HAZEL INTERNATIONAL FZE** as of **31 March 2020** its financial performance for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of the matter

Except for the matters discussed in Note 8 & 20 to the financial statements relating to non payment of bills outstanding to the contractor which is currently under litigation and arbitration, the financial statements do not include any adjustments that might result from the outcome of the judgement in the matter. Our opinion is not qualified in respect of this matter.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

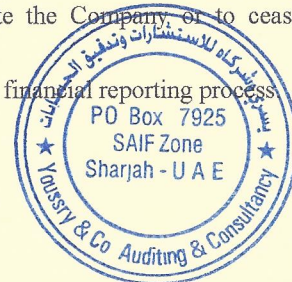
Management is responsible for the other information. We have nothing to report in this regard.

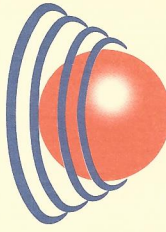
Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process





Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- iii Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going
- v Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

We further confirm that we have obtained all information and explanations necessary for our audit and that proper financial records have been maintained by the company in accordance with the laws of Hamriyah Free Zone. To the best of our knowledge and belief no violations of said regulations have occurred which would have had a material effect on the business of the company or on its financial position.

Yousry & Co.
For Youssry & Co. Auditing & Consultancy
Monday, July 27, 2020
P.O. Box 7925
Sharjah - U.A.E

HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Statement of Financial Position
as at March 31, 2020
(In United States Dollars)

	Notes	2020 USD	2019 USD
Assets			
Non-Current Assets:			
Property, plant and equipment	4	149,286,252	149,673,980
Right of use asset	5	7,824,431	-
		157,110,683	149,673,980
Current Assets:			
Cash and bank balances	6	4,114,118	4,465,038
Trade and other receivables	7	946,529	1,934,880
		5,060,647	6,399,918
Total Assets		162,171,330	156,073,898
Equity and Liabilities			
Shareholder's Equity:			
Share Capital	2	9,524	9,524
Retained earnings		381,722	(5,356,906)
Contribution from associate		56,243,528	56,243,528
Total Shareholder's Equity		56,634,774	50,896,146
Non-Current Liabilities:			
Non-current liabilities	8	80,283,197	74,265,047
Lease liabilities	9	6,996,559	-
		87,279,756	74,265,047
Current Liabilities:			
Trade and other payables	10	2,397,859	15,054,015
Bank borrowings	11	15,858,941	15,858,690
		18,256,800	30,912,705
Total Liabilities		105,536,556	105,177,752
Total Equity and Liabilities		162,171,330	156,073,898

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

The Report of the Auditors is set out on page 3-4.

The financial statements on pages 5 to 24 approved by the Director on July 27, 2020.

For HAZEL INTERNATIONAL FZE


Director



HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Statement of Comprehensive Income
For the year ended March 31, 2020
(In United States Dollars)

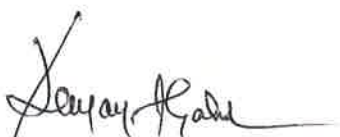
	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		<u>USD</u>	<u>USD</u>
Revenue	12	12,718,493	6,811,878
Cost of revenue	13	(6,245,293)	(4,741,626)
Gross profit		6,473,200	2,070,252
Expenses	14	(2,832,764)	(1,765,133)
Profit from operating activities		3,640,436	305,119
Finance charges		(4,561,340)	(5,739,774)
Net profit/(loss) for the year		(920,904)	(5,434,655)
Other income	15	6,659,532	77,749
Total comprehensive income/(loss) for the year		5,738,628	(5,356,906)

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

The Report of the Auditors is set out on page 3-4.

The financial statements on pages 5 to 24 approved by the Director on July 27, 2020.

For HAZEL INTERNATIONAL FZE


Director



HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Statement of Changes in Equity
For the year ended March 31, 2020
(In United States Dollars)

	Share Capital	Retained earnings	Contribution from associate*	Total
	USD	USD	USD	USD
As at April 2018	9,524	-	49,723,865	49,733,389
Net profit/(loss) for the year	-	(5,356,906)	-	(5,356,906)
Net movement for the year	-	-	6,519,663	6,519,663
As at 31 March, 2019	9,524	(5,356,906)	56,243,528	50,896,146
Net profit/(loss) for the year	-	5,738,628	-	5,738,628
As at 31 March, 2020	9,524	381,722	56,243,528	56,634,774

**Represents amount contributed by Hazel Middle East FZE which is sub-ordinated against bank facilities availed by the company. (refer note 11)*

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

The Report of the Auditors is set out on page 3-4.

The financial statements on pages 5 to 24 approved by the Director on July 27, 2020.

For HAZEL INTERNATIONAL FZE


Director



HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Statement of Cash Flows

For the year ended March 31, 2020
(In United States Dollars)

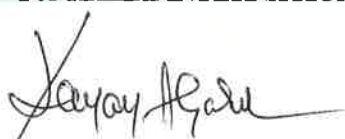
	Notes	2020 USD	2019 USD
Cash flows from operating activities			
Total comprehensive income/(loss) for the year		5,738,628	(5,356,906)
Adjustments for non cash items:			
Interest on lease liabilities		310,219	-
Depreciation on right of use asset		411,812	-
Depreciation of property, plant, and equipment		3,749,633	3,454,968
Operating profit/(loss) before changes in working capital		10,210,292	(1,901,938)
(Increase) / Decrease in Trade & other receivables		988,351	(1,187,264)
Increase / (Decrease) in trade & other payables		(13,227,585)	7,580,092
Increase / (Decrease) in end of service benefits		47,621	30,611
Net cash generated from / (used in) operating activities		(1,981,321)	4,521,500
Cash flows from investing activities			
(Increase)/Decrease in capital work-in-progress		-	152,304,934
(Purchase) of fixed assets - net		(3,361,905)	(153,128,948)
Net cash flow from/(used in) investing activities		(3,361,905)	(824,014)
Cash flows from financing activities			
Net funds contributed by associate		-	6,519,663
Lease payments - net		(978,474)	-
Net movement in payable to contractor		6,744,757	-
Net proceeds from the bank loan		(15,858,942)	(15,858,440)
Net funds contributed by related party		15,084,965	6,066,265
Net cash from /(used in) financing activities		4,992,306	(3,272,512)
Net increase /(decrease) in cash and cash equivalents		(350,920)	424,974
Cash and cash equivalents, beginning of the year		495,990	71,016
Cash and cash equivalents, end of the year	16	145,070	495,990

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

The Report of the Auditors is set out on page 3-4.

The financial statements on pages 5 to 24 approved by the Director on July 27, 2020.

For **HAZEL INTERNATIONAL FZE**


Director



HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

1 Legal status and business activity

- 1.1 M/S HAZEL INTERNATIONAL FZE is registered as a free zone establishment with limited liability with Hamriyah Free Zone Authority in the Emirate of Sharjah, UAE under industrial license no.12340 and commercial license no. 11994.
- 1.2 The company is licensed to carry out blending and processing of chemicals and lube oil products under industrial license and general trading (including import/export/trading of bitumen, diesel, hydro carbon solvent, fuel oil & petroleum oil products under commercial license.
- 1.3 The management and control of the company are vested with the Director, Mr. Sanjay Shyam Sunder Agarwal w.e.f 29.04.2019 as Mr. Saurabh Sanghvi has resigned from directorship on the same date.

2 Share Capital

Authorized, issued and paid up capital of the company is made up of 35 shares of AED 1,000 each equal to AED 35,000/. The breakup of the shareholding at March 31, 2020 is as follows:

	<u>Name</u>	<u>Nationality</u>	<u>Percentage Holding</u>	<u>USD*</u>
1	M/S Veritas (India) Ltd	India	100%	9,524
				<u>9,524</u>

*1 USD is equal to AED 3.675

3 Significant accounting policies, estimates and judgments

Basis of Preparation

Management has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore the financials statements are prepared on the going concern basis.

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), improvement/amendments to IFRS issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the Free Zone and U.A.E. Law.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

The significant accounting policies adopted, estimates and judgments followed, are as follows:

a New and revised International Financial Reporting Standards

The following International Financial Reporting Standards, amendments thereto and interpretations issued by IASB that became effective for the current reporting period and which are applicable to the company are as follows:

- i IFRS 16 – Leases
- ii IFRIC 23 – Uncertainty of Income tax position
- iii Amendments to IFRS 9 – Repayment features with negative compensation
- iv Amendments to IAS 1 and IAS 8 – new definition of material information.
- v Amendments to IAS 28 – Long term interests in Associates and Joint Ventures
- vi Amendments to IAS 19 – Plan amendments, curtailments or settlements
- vii Amendments to IFRS – Annual improvements to IFRS Standards 2015-17 Cycle.

During the current year, the management has adopted the above standards and amendments to the extent applicable to them from the financial reporting period commencing on or after 1 April 2019.

b International Financial Reporting Standards issued but not effective

- i IFRS 3 – Business combinations – the effective date of the clarification of the definition of a business is set for annual periods beginning on or after 1 January 2020.
- ii Amendments to IFRS 9, IFRS 7, IAS 39 – Financial Instrument – Interest rate benchmark reform the effective date of the standard is set for annual periods beginning on or after 1 January 2020.
- iii IFRS 17 – Insurance Contracts – The effective date of the standard is set for annual periods beginning on or after 1 January 2021.
- iv Amendments to IAS 1 – Presentation of Financial Statements – Definition of material the effective date of the amendment is set for annual periods beginning on or after 1 January 2020.
- v Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current the effective date of the amendment is set for annual periods beginning on or after 1 January 2022.
- vi Amendments to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of material the effective date of the amendment is set for annual periods beginning on or after 1 January 2020.
- vii Amendments to IFRS – Annual improvements to IFRS Standards 2018-20 Cycle.

The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Significant accounting estimates and judgments:

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions companying the future. The resulting accounting estimates will, by definition, may differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities at 31 March 2020 are discussed below.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

Provisions

Provisions are recognized when the company has an obligation (legal or constructive) arising from a past event, and cost to settle the obligation are both probable and are able to reliably measured.

Contingencies

Contingent liabilities are in the financial statements. They are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Carrying values of fixed assets

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Doubtful debt provision

Management regularly undertakes a review of the amounts of receivables owed to the company either from third parties or from related parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment, assumptions are made as to the level of provisioning required.

Impairment

At each reporting date, management conducts an assessment of fixed assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and if this is below its carrying amount, a provision is made.

Significant accounting policies:

3.1 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and identified impairment losses, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the assets into its working condition.

Depreciation:

The cost of property, plant & equipment is depreciated by equal annual installments over their estimated useful lives less residual value, using the straight line method as follows:

	<u>Years</u>
Tank Farms	40 years
Distillation plant	40 years
Building	20 years
Furniture & Fixtures and Office Equipment	10 years
Motor vehicle	10 years

Depreciation on addition is calculated on a pro-rata basis from the month of addition and on deletion up to and including the month of deletion of the asset.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditures connected with specific assets during the installation and construction period are carried under capital work-in-progress. These are transferred to property, plant and equipment as when they are available for use. All those expenditures which are not connected with any specific assets during the construction phase of the project are carried under pre-operating expenses. Once the project is completed, these expenditures will be allocated to the specific assets.

Pre-operating expenses

All those expenditures which are not connected with any specific assets during the construction phase of the project are carried under capital work-in-progress (pre-operating expenses). Once the project is completed, these expenditures will be allocated to the specific assets.

3.3 Leases

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

For any new contracts entered into on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The adoption of this new Standard has resulted in the company recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

Right-of-use assets :

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

	<u>Years</u>
Leasehold land	20

Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The Company's lease liabilities are disclosed as a separate line-item under current and non-current portions.

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

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

3.4 Trade and other receivables

Trade & other receivables are stated at their nominal value reduced by appropriate allowances for estimated doubtful debts. Bad debts are written off as they arise when there is no possibility of recovery.

3.5 Trade and other payables:

Liabilities are recognized for amounts to be paid for goods or services received, whether or not invoiced by the supplier.

3.6 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in Statement of comprehensive income in the period in which they arise.

3.7 Value Added Tax

The revenue, expenses and assets are recognized net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT payable to or VAT recoverable from, Federal Tax Authority is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

3.8 Staff end of service benefits:

Staff end of service benefits are accounted on accrual basis.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

3.9 Revenue recognition:

Sales represent net amount invoiced for goods delivered during the year. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rental income arising from leasing of tanks is recognized, net of discount, in accordance with the terms of lease contracts over the lease terms of the contract period.

3.10 Impairment:

The carrying amount of the assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement.

3.11 Derivative financial instruments:

The company uses derivative financial instruments to manage its exposure to interest rate risk. Derivatives are initially recognized at fair value as the date of derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognized in the income statement immediately, unless the derivative is designated and effective as a hedging instrument, in which event the recognition in the income statement depends on the nature of the hedge relationship. A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability.

Hedge Accounting:

The company designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of interest rate risk and foreign exchange risk on firm commitments are accounted on cash flow hedges.

As at 31 March 2020, the company has an interest rate swap contract which is classified as derivative financial assets at fair value through profit and loss.

3.12 Foreign currency transactions:

Transactions in foreign currencies are translated into United States Dollars (USD) at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into USD at the rate of exchange ruling at the balance sheet date. Resulting exchange gain or loss is taken to the income statement.

3.13 Installment plans:

Future installments payable under installment plans net of finance charges are included under non-current and current liabilities with the corresponding asset values recorded as fixed assets and depreciated over their estimated useful lives. Payments are apportioned between the finance element charged to income statement and the capital element, which reduces the capital amount outstanding.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

3.14 Cash and cash equivalents:

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

3.15 Dividend:

Dividend is paid out of retained earnings, when declared.

HAZEL INTERNATIONAL FZE

Dubai - United Arab Emirates

Notes to the Financial Statements For the year ended March 31, 2020

4 Property, plant and equipment

	Tank Farm	Distillation Plant	Building	Furniture, Fixtures & Office Equipment	Motor vehicles	Total
Cost	USD	USD	USD	USD	USD	USD
As at April 1, 2018	-	-	-	-	-	-
Addition during the year	111,036,872	40,426,714	965,656	483,329	216,377	153,128,948
As at March 31, 2019	111,036,872	40,426,714	965,656	483,329	216,377	153,128,948
Addition during the year	3,361,905	-	-	-	-	3,361,905
As at March 31, 2020	114,398,777	40,426,714	965,656	483,329	216,377	156,490,853
Depreciation						
As at April 1, 2018	-	-	-	-	-	-
Depreciation for the year	2,478,176	902,263	37,704	17,508	19,317	3,454,968
As at March 31, 2019	2,478,176	902,263	37,704	17,508	19,317	3,454,968
Depreciation for the year	2,677,158	960,134	45,869	45,916	20,556	3,749,633
As at March 31, 2020	5,155,334	1,862,397	83,573	63,424	39,873	7,204,601
Net book value						
As at March 31, 2020	109,243,443	38,564,317	882,083	419,905	176,504	149,286,252
As at March 31, 2019	108,558,696	39,524,451	927,952	465,821	197,060	149,673,980

*Property, plant and equipment are mortgaged with the bank against term loan. (Refer Note 11)

@ Independent valuation was performed by an independent valuer determining the fair value of the Tank Farm facility on Plot 1A-08, Hamriyah Free Zone, Sharjah, UAE, for USD 198,430,700/- based on their market value as at 9 August 2018, Management is of the view that there is no impairment in the value of the property plant & equipment as at March 31, 2020 and no provision for impairment is required.

5 Right-of-use asset

	Total USD
Lease contract commitment value	12,122,449
Present value of lease liability as at 01 April 2019 under IFRS16 # (refer note 9)	8,236,243
Right of use asset as on 01 April 2019	8,236,243
Less: Depreciation *	(411,812)
Right of use asset as on 31 March 2020	7,824,431

The Company has a rental lease agreement of leasehold land with Hamriyah Free Zone Authority for a lease term of 25 years. And it will be reviewed after 13th year for further period of 12 years The lease has a remaining lease term of 19 years as at 31 March 2020.

Rate implicit in the lease is not readily determinable, the management has taken 4.5% p.a as incremental borrowing rate.

* Depreciation on right of use asset is calculated on straight line basis for a period of 20 years.

HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements
For the year ended March 31, 2020

6 Cash and bank balances

	2020	2019
	USD	USD
Bank balances in:		
Current accounts	145,070	495,990
Deposit# (refer note 11)	3,969,048	3,969,048
	4,114,118	4,465,038

#Represents an amount of USD 3,969,048/- held under Debt Service Account as per inter-credit agreement.

Currently there is court attachment on company's bank accounts and the transactions are routed through Sister concern bank accounts (refer note 17 & 20)

7 Trade and other receivables

	2020	2019
	USD	USD
Trade receivables #	872,204	1,458,851
Security deposits	57,126	46,475
Staff advances	8,643	14,848
Prepayments	8,556	414,706
	946,529	1,934,880

Balances are confirmed & certified by the management.

8 Non-current liabilities

	2020	2019
	USD	USD
Syndicated term loans:		
Conventional term loan (refer note 11)	26,453,868	37,035,815
Islamic facility (refer note 11)	13,192,607	18,469,853
	39,646,475	55,505,668
Due to a related party (refer note 17) *	33,813,733	18,728,768
Staff end of service benefits	78,232	30,611
Payable to contractor (refer note 10) #	6,744,757	-
	80,283,197	74,265,047

**Represents long-term unsecured, non interest bearing loan without any fixed repayment schedule.*

USD 6,744,757 represents outstanding bills over 12 months accounted towards the contractors of the tank farm, However the matter is under dispute for non-fulfilment of the performance as per the terms of contract agreement for USD 5,265,591 only. Currently the matter is in litigation in UAE and simultaneously under arbitration in India and is pending judgement. (refer Note 20).

HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements
For the year ended March 31, 2020

9 Lease liabilities

	2020	2019
	USD	USD
Present value of future cash flow of lease payments as at 01 April 2019 # (refer note 5)	8,236,243	-
Add: Interest on lease liability	310,219	-
Less: Lease payments	(978,474)	-
Lease liabilities as on 31 March 2020	<u>7,567,988</u>	<u>-</u>
Non- current portion	6,996,559	-
Current portion (refer note 10)	571,429	-

Rate implicit in the lease is not readily determinable, hence the management has taken 4.5% p.a as incremental borrowing rate.

10 Trade and other payables

	2020	2019
	USD	USD
Trade payables	617,225	545,941
Payable to a contractor (refer note 8) #	-	13,266,852
Other payables	784,199	636,603
Provisions	200,745	409,899
Duties & taxes	77,245	127,820
Lease liabilities - current portion (refer note 9)	571,429	-
Advances from tenants	147,016	66,900
	<u>2,397,859</u>	<u>15,054,015</u>

Balance includes USD 6.5 Million which the company revoked the performance guarantee of the main contractor of the tank farms for non-fulfillment of the performance as per terms of contract agreement. In the current year management has considered the balance as non payable and recognized as other income. Management confirms that revocation of bank guarantee is not under dispute and hence considered as other income (refer note 15). Balance of USD 6,744,757 represents bills accounted towards the contractor of the tank farm (refer note 8)

11 Bank borrowings

	2020	2019
	USD	USD
Syndicated Term Loan: *		
Conventional term loan	10,581,714	10,581,481
Islamic facility^	5,277,227	5,277,209
	<u>15,858,941</u>	<u>15,858,690</u>

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements For the year ended March 31, 2020

Syndicated term loan @

Total Syndicated term loan (conventional) outstanding	37,035,582	47,617,296
Payable after next 12 months	26,453,868	37,035,815
Payable within next 12 months	10,581,714	10,581,481

Syndicated term facility (Islamic) @

Total Syndicated term facility (Islamic) outstanding	18,469,834	23,747,062
Payable after next 12 months	13,192,607	18,469,833
Payable within next 12 months	5,277,227	5,277,209

*As per Inter Creditor Agreement dated September 07, 2015, company has been sanctioned the Syndicated Facility of AED 350 million (Conventional facility of AED 233.5 million & Islamic facility of AED 116.5 million) to build the storage tanks and related facilities. The term loans are payable in 24 equal quarterly installments starting from September 2017.

^Represents Islamic facility under Istisna'a Agreement and Forward Lease Agreement dated September 07, 2015.

@Represents disbursement of term loans under conventional facility and Islamic facility to build the storage tanks and related facilities.

The bank facilities are secured against: –

- 1 Mortgage over any immoveable property constructed on the project land by company in favour of security agent.
- 2 Contractors all risk insurance policy.
- 3 Personal guarantee of Mr. Nitin Kumar Didwania.
- 4 Joint and several corporate guarantees from Veritas India Limited, Hazel Middle East FZE and Veritas International FZE.
- 5 Sub-ordination of the amount of contribution from the shareholder and associate.
- 6 Assignment of material contract, receivables account and insurance policies.

In addition, there are various conditions and financial covenants attached to the bank facility.

12 Revenue

	2020	2019
	USD	USD
Trading Sales (refer note 17)	2,248,457	618,034
Rental Income (refer note 17)	10,470,036	6,193,844
	12,718,493	6,811,878
Sales - vatable @5%	10,809,107	6,205,198
Sales - vatable @0%	-	-
Sales - vat exempt	-	-
Sales - non vatable	1,909,386	606,680
	12,718,493	6,811,878

HAZEL INTERNATIONAL FZE
Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements
For the year ended March 31, 2020

13 Cost of revenue

	2020	2019
	USD	USD
Opening inventory	-	-
Add: Purchases	1,796,129	541,149
	1,796,129	541,149
Less: Closing inventory	-	-
	1,796,129	541,149
Lease expenses	-	706,637
Other direct expenses	400,060	113,401
Depreciation on right of use asset (refer note 5)	411,812	-
Depreciation on plant & machinery	3,637,292	3,380,439
	6,245,293	4,741,626

14 Expenses

	2020	2019
	USD	USD
Salaries & other related benefits	1,337,495	886,164
License & registration expenses	8,048	28,278
Legal and professional expenses	47,385	221,226
Bank charges	1,942	2,056
Repairs and maintenance	331,140	112,518
Vehicle running & maintenance	7,559	4,682
Insurance expenses	493,981	263,647
Depreciation	112,341	74,529
Interest on lease liabilities (refer note 9)	310,219	-
Other administrative expenses	182,654	172,033
	2,832,764	1,765,133

15 Other Income

	2020	2019
	USD	USD
Exchange rate difference	32,432	5,947
Other income	127,100	71,802
Revocation of bank guarantee *	6,500,000	-
	6,659,532	77,749

* During the previous year, the company revoked the performance guarantee of USD 6.5 Million of the main contractor of the tank farms for non-fulfillment of the performance as per terms of contract agreement. In the current year management has considered the balance as non payable and recognized as other income. Management also confirms that revocation of bank guarantee is not under dispute and hence considered as other income. (refer note 8)

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements For the year ended March 31, 2020

16 Cash and cash equivalents

	2020	2019
	USD	USD
Bank balances in:		
Current accounts	145,070	495,990
	<u>145,070</u>	<u>495,990</u>

17 Related party transactions

The entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and /or common management and control; their partners and key management personnel.

The Entity believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

Transactions with related parties

The nature of significant related party transactions and their amounts involved were as follows:

	2020	2019
	USD	USD
Revenue		
Hazel Middle East FZE - Trading & Rental	2,925,372	3,381,038

Expenses

Hazel Middle East FZE - Finance charge	-	684,864
--	---	---------

Balances outstanding with related parties

	2020	2019
	USD	USD
Due to a related a party		
Hazel Middle East FZE-UAE	33,813,733	18,728,768
	<u>33,813,733</u>	<u>18,728,768</u>

The Entity also receives funds from its related parties as and when required.

18 Financial instruments

Financial instruments of the company comprises of cash at bank, trade & other receivables and trade & other payables.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements For the year ended March 31, 2020

Credit risk

Financial assets, which potentially expose the company to concentration of credit risk comprise principally bank balances and trade & other receivables.

The Company's bank accounts are placed with high credit quality financial institutions.

There is no significant concentration of credit risk from trade & other receivables situated within UAE and outside the industry in which the company operates.

Currency risk

There are no significant exchange rate risks as substantially all the financial assets and financial liabilities are denominated in US Dollars or Arab Emirates Dirhams to which the conversion is pegged.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to company's long terms debt obligations with floating interest rates.

The following table demonstrates the sensitivity of consolidated income statement to reasonably possible changes in interest rates, with all other variables held constant and net of hedged instruments. The sensitivity of consolidated income statement is the effect of the assumed changes in the interest rates on company's result for one year, based on the floating rate financial assets and financial liabilities held at the reporting date.

	Changes in basis points	Sensitivity of interest USD
2020		
Interest bearing loans & borrowings - Income / Expense	+/-50	<u>185,178</u>
2020		
Unhedged portion of interest bearing loans & borrowings	+/-50	<u>120,840</u>

Fair values

Financial instruments comprise of financial assets, financial liabilities and derivatives. The fair values of financial instruments are not materially different from their carrying value.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements For the year ended March 31, 2020

19 Hedging activities

As at 31 March 2020, the Company held certain interest rate swap contract designated as a hedge of expected future payments under the borrowing contracts entered by the company for which it has firm commitments. The interest rate swap contract is being used to hedge the interest rate risk of the firm commitments. The nominal amount of these contracts was USD 50,140,000/- (AED 184,264,416/-) and the outstanding contract value as at balance sheet date is USD 31,337,486/- (AED 115,165,261), (PY USD 39,966,257/- AED 146,875,996)

	<u>2020</u> USD	<u>2019</u> USD
Interest rate swap contracts		
Fair Value		
Assets	-	24,260
Liabilities	199,500	-

The fair values of the interest rates swaps are estimated using quotes from external sources or from the counter party to the instruments

20 Contingent liabilities

The Company is subject to legal and regulatory proceedings as detailed below. These contingent liabilities are reviewed on a regular basis and where feasible an estimate is made of the potential financial impact on the Company. As at 31 March 2020 it was not feasible to make such an assessment.

Bills outstanding to the contractor for which matter is under litigation in UAE and simultaneously arbitration in India, though the principal liability has been fully recognized in the financials, however the financial impact of interest and penalties arising from the judgement are unable to be determined and the company has filed appropriate counter claim to safeguard its interest accordingly. The contractor has, vide Sharjah court order no 400/2019 passed against the case no 1027/19 has an attachment on the movable and immovable assets of the company to the extent of US 5.26 Million. (refer note 8)

21 Capital & other commitments

Except for the following there have been no other known capital & purchase commitments on the company as on the financial position date.

	<u>2020</u> USD	<u>2019</u> USD
Lease commitment- banks*	18,469,834	23,747,062
Lease commitment - rental#	-	4,741,497

*The company has also entered into a forward lease agreement in which bank will lease the assets to the company. (refer note 11)

#Represents outstanding lease commitment at the respective year end. The company has entered into a long term 25 years lease agreement with Hamriyah Free Zone Authority of which first 13 years lease rentals are agreed upon and for 14-25 years will be reviewed and agreed at end of 13th year. During the current year the company has adopted IFRS 16 and the lease liabilities and assets has been recognized.

HAZEL INTERNATIONAL FZE

Hamriyah Free Zone- United Arab Emirates

Notes to the Financial Statements

For the year ended March 31, 2020

22 Comparative figures

Previous year figures have been regrouped/reclassified wherever necessary to conform to the presentation adopted in the current year.

23 Others

Management confirms there were no loans & other liabilities except showing in the statement of financial position.

For HAZEL INTERNATIONAL FZE


Director



Veritas International FZE
JAFZA, Dubai – UAE.

Financial Statements and Auditors Report
For the year ended 31st March 2020.

Veritas International FZE
JAFZA, Dubai - UAE.

Financial Statements and Auditors Report
For the year ended 31st March 2020.

Contents	Page
Establishment Information	1
Director's Report	2 - 3
Auditor's Report	4 - 6
Statement of Financial Position	7 - 8
Statement of Profit or Loss and Other Comprehensive Income	9
Cash Flow Statement	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 30

Veritas International FZE
JAFZA, Dubai – UAE.

Establishment information

<i>Address</i>	:	Office No: TPOFCB0231, Jebel Ali, Dubai, UAE.
<i>Tax Registration Number</i>	:	100368448500003
<i>Financial Year Ending</i>	:	31st March 2020
<i>Shareholder</i> M/s. Veritas (India) Limited	:	<i>Incorporated in</i> India
<i>Manager</i> Mr. Ramesh Chetan Yadav	:	<i>Nationality</i> Indian
<i>The Auditors</i>	:	<i>M/s. ASP Auditing</i> P.O. Box No: 103528 Dubai-UAE Tel: +971 – 4 – 3353970 Email: aspa@emirates.net.ae
<i>The Main Banker</i>	:	Bank of Baroda

VERITAS INTERNATIONAL FZE

Directors' Report and Management Discussion and Analysis

We have pleasure in presenting the report and audited financial statements for the year ended 31st March 2020.

BUSINESS OVERVIEW:

The Establishment engaged in activity of General Trading.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENT:

The Establishment has been in operation from September 2012.

HIGHLIGHTS OF VERITAS INTERNATIONAL FZE's PERFORMANCE IN 2020:

Despite the difficult global business conditions, it pleases to inform you that the Establishment succeeded in maintaining existing businesses.

- The Establishment achieved a Turnover of **USD. 198,079,287/-** for the year ended 31st March 2020 as compared to **USD. 174,091,660/-** for the previous year ended 31st March 2019.
- The Establishment posted a Net Profit of **USD. 11,002,888/-** for the year ended 31st March 2020 as against a Net Profit of **USD. 10,815,910/-** for the previous year ended 31st March 2019.
- The Establishment experienced a smooth cash flow throughout the financial year and concluded with the liquidity in cash and bank balance equivalent worth **USD. 12,044/-**.

AUDITORS:

The Auditors, **M/s. ASP Auditing, Dubai, UAE** are eligible for re-appointment and have expressed their willingness to continue as Auditors for the next year.

VERITAS INTERNATIONAL FZE

DIRECTORS' RESPONSIBILITIES:

The Establishment law requires the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of the affairs of the Establishment and the Net Profit or Loss for the year. The Directors are responsible for keeping proper books of accounts and accounting records which disclose with reasonable accuracy at any time, the financial position of the Establishment and to enable them to ensure that the financial statements comply with Commercial Companies Law of 2015 (as amended).

ACKNOWLEDGEMENTS:

The Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the Establishment by all valued Customers, Bankers and various departments of government and local authorities.

The Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the Establishment employees, officers and the executives at all levels which contributed, in no small measure, to the progress and the high performance of the Establishment during the year under review.

For Veritas International FZE



Mr. Ramesh Chetan Yadav

(Manager)

June 20, 2020.

To,
The Shareholder,
M/s. Veritas International FZE,
JAFZA, Dubai- UAE.

Auditor's Report

We have audited the accompanying financial statements of M/s. Veritas International FZE, JAFZA, Dubai, UAE which comprises the statement of financial position as at 31st March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31st March 2020 and a summary of significant accounting policies and other explanatory information.

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

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance ("TCWG") for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the establishment ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of Accounting unless management either intends to liquidate the establishment or to cease operations or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Establishment's financial reporting process.

Auditors' responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Audit Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an Audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

- Conclude on the appropriateness of management 's use of going concern basis of Accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors Report. However, future events or conditions may cause the establishment to cease to continue as a going concern.
- Evaluate the Overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transaction's and events in a manner that achieves fair presentation.

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

Report on the Legal and Regulatory Requirements

Further, as required by the UAE Federal Commercial Companies Law No. 2 of 2015 (as amended), the Jebel Ali Free Zone Companies Implementing Regulations 2016, we report that:

- i. the Establishment has maintained proper books of accounts;
- ii. we have obtained all the information we considered necessary for the purposes of or audit;
- iii. the financial information included in the directors' report is in consistent with the books of accounts of the Establishment;
- iv. Further, based on the information made available to us, nothing has come to our attention which causes us to believe that the group has contravened during the financial year ended 31st March 2020 of the above mentioned laws and its Articles of Association which would materially affect its activities or its financial position as at 31st March 2020.

For ASP AUDITING

June 23, 2020.



Veritas International FZE

JAFZA, Dubai - UAE

STATEMENT OF FINANCIAL POSITION

As at 31st March 2020

ASSETS	Note	Mar-20 USD	Mar-19 USD
NON -CURRENT ASSETS			
Property, Plant and Equipment	5	-	-
Investment	6	74	74
Total Non-Current Assets	A	74	74
CURRENT ASSETS			
Cash and Cash Equivalents	7	12,044	1,506,926
Trade & Other Receivables	8	89,673,032	67,649,727
Other Current Assets	9	7,619	5,830
Total Current Assets	B	89,692,695	69,162,483
TOTAL ASSETS	A+B	89,692,769	69,162,557
EQUITY & LIABILITIES			
EQUITY			
Share Capital	4	4,353,742	4,353,742
Shareholder's Loan Account	12	1,650,308	1,597,808
Retained Earnings	13	60,756,252	50,058,126
Total Equity	C	66,760,302	56,009,676

(Cont.)

Veritas International FZE

JAFZA, Dubai - UAE

STATEMENT OF FINANCIAL POSITION

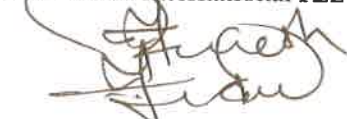
As at 31st March 2020

LIABILITIES	Note	Mar-20	Mar-19
		USD	USD
NON CURRENT LIABILITIES			
Total Non Current Liabilities	D	-	-
CURRENT LIABILITIES			
Trade & Other Payables	10	22,931,106	13,148,372
Accruals and Provisions	11	1,361	4,509
Total Current Liabilities	E	22,932,467	13,152,881
TOTAL LIABILITIES	D+E	22,932,467	13,152,881
TOTAL EQUITY & LIABILITIES	C+D+E	89,692,769	69,162,557

The notes on pages 12 to 30 form an integral part of these financial statements.

These financial statements were approved on June 20, 2020.

For Veritas International FZE



Mr. Ramesh Chetan Yadav
(Manager)

The report of the auditors is set on page 4 to 6

Veritas International FZE

JAFZA, Dubai - UAE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

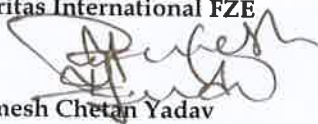
For the year ended 31st March 2020

	Note	Mar-20 USD	Mar-19 USD
Continuing Operations			
Sales	F	198,079,287	174,091,660
Cost of Sales	G	(186,923,842)	(162,475,919)
Gross Profit		11,155,445	11,615,741
Other Income		-	411,612
Operating Expenses			
General & Administration Expenses	H	(94,665)	(111,348)
Depreciation on Property, Plant and Equipment		-	-
Total Operating Expenses		(94,665)	(111,348)
Operating Profit for the year		11,060,780	11,916,005
Financial Charges	I	(57,892)	(1,100,095)
Profit for the year		11,002,888	10,815,910
Other Comprehensive Income		-	-
Total Comprehensive Income For the year		11,002,888	10,815,910
Profit for the year:			
Attributable to Shareholder		11,002,888	10,815,910

The notes on pages 12 to 30 form an integral part of these financial statements.

These financial statements were approved on June 20, 2020.

For Veritas International FZE


Mr. Ramesh Chetan Yadav
(Manager)

The report of the auditors is set on page 4 to 6

Veritas International FZE

JAFZA, Dubai - UAE

CASH FLOW STATEMENT

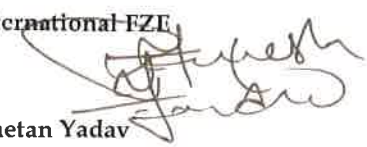
For the year ended 31st March 2020

	Mar-20 USD	Mar-19 USD
Cash Flow from Operating Activities		
Net Profit as per Profit & Loss Account	11,002,888	10,815,910
Adjustment for non-cash items		
Depreciation	-	-
Operating Cash Flow before changes in net operating assets	11,002,888	10,815,910
Changes in net Working Capital		
(Increase) / Decrease in Trade & Other Receivables	(22,023,305)	17,976,480
(Increase) / Decrease in Other Current Assets	(1,789)	17,332
Increase / (Decrease) in Trade & Other Payables	9,782,734	(11,446,156)
Increase / (Decrease) in Accruals & Provisions	(3,148)	(72,103)
Net Cash Flow from / (used) from Working Capital	(12,245,508)	6,475,553
Cash flow from Financing Activities		
Dividend paid	(304,762)	(261,225)
Net Changes in Shareholder's Loan Account	52,500	1,575,933
Net Cash Flow from / (used) in Financing Activities	(252,262)	(15,835,292)
Cash flow from Investing Activities		
Net Changes in Property, Plant and Equipment	-	-
Net Cash Flow from / (used) in Investing Activities	-	-
Net increase / (decrease) in cash & cash equivalents	(1,494,882)	1,456,171
Cash & Cash equivalents in the beginning of the year	1,506,926	50,755
Cash & Cash equivalents at the end of the year	12,044	1,506,926

The notes on pages 12 to 30 form an integral part of these financial statements.

These financial statements were approved on June 20, 2020.

For Veritas International FZE


Mr. Ramesh Chetan Yadav
(Manager)

The report of the auditors is set on page 4 to 6

Veritas International FZE

JAFZA, Dubai - UAE

STATEMENT OF CHANGES IN EQUITY

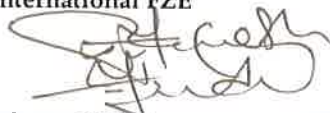
For the year ended 31st March 2020

Particulars	Share Capital	Shareholder's Loan Account	Retained Earnings	Total
	USD	USD	USD	USD
Balance as on 01st April 2018	4,353,742	21,875	39,503,441	43,879,058
Net Movements of the year	-	1,575,933	-	1,575,933
Profit of the year	-	-	10,815,910	10,815,910
Dividend Paid	-	-	(261,225)	(261,225)
Balance as on 01st April 2019	4,353,742	1,597,808	50,058,126	56,009,676
Net Movements of the year	-	52,500	-	52,500
Profit of the year	-	-	11,002,888	11,002,888
Dividend Paid	-	-	(304,762)	(304,762)
Balance as on 31st March 2020	4,353,742	1,650,308	60,756,252	66,760,302

The notes on pages 12 to 30 form an integral part of these financial statements.

These financial statements were approved on June 20, 2020.

For Veritas International FZE


Mr. Ramesh Chetan Yadav
(Manager)

The report of the auditors is set on page 4 to 6

Veritas International FZE
JAFZA, Dubai - UAE

Notes to the Financial Statements
As at 31st March 2020

1. Legal Status and Activities

- 1.1 **M/s. Veritas International FZE**, is a Free Zone Establishment with Limited Liability, registered with Jebel Ali Free Zone, Jebel Ali, Dubai, UAE vide General Trading License number 133949. The original license was granted on the 11th day of September 2012.
- 1.2 The registered address of the Establishment is Office No. TPOFCB0231, Jebel Ali, Dubai, UAE.
- 1.3 **The shareholder of the Establishment is:**
M/s. Veritas (India) Limited, Incorporated in India : 100% Holder
- 1.4 **Mr. Ramesh Chetan Yadav, Indian National** is the manager of the Establishment.
- 1.5 The Establishment is licensed to engage in the activities of General Trading.

2. Application of new and revised International Financial Reporting Standards (IFRS)

- 2.1 **New and revised IFRSs effective for accounting periods beginning on or after 01st January 2019:**
The following new and revised IFRSs which became effective for the annual years beginning on or after 01st January 2019 have been adopted in these financial statements.

Veritas International FZE
JAFZA, Dubai - UAE

<u>New and revised IFRSs</u>	<u>Summary of requirements</u>
Amendment to IFRS 9 'Financial Instruments'	Relating to prepayment features with negative compensations. This amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised costs or depending on the business model at fair value through other comprehensive income) even in case of negative compensation payments.
Amendment to IFRS 16, 'Leases'	Specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.
IFRIC 23, 'Uncertainty over Income Tax Treatments'	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: - Whether tax treatments should be considered collectively; - Assumptions for taxation authorities examinations; - The determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and - The effect of changes in facts and circumstances
Amendments to IAS 28, 'Investments in Associates and Joint Ventures'	Relating to the long term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 – Financial Instruments to long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied

Veritas International FZE
JAFZA, Dubai - UAE

Annual Improvements to IFRS Standards 2015-2017 Cycle	The following improvements were finalized in December 2017: • IFRS 3 Business Combinations – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. • IFRS 11 Joint Arrangements – clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation. • IAS 12 Disclosure of Interests in Other Entities – clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. • IAS 23 Borrowing Costs – clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings
Amendments to IAS 19, 'Plan Amendment, Curtailment or Settlement'	The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must: • calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change • recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling • separately recognise any changes in the asset ceiling through other comprehensive income

Veritas International FZE
JAFZA, Dubai - UAE

2.2 New and revised IFRSs in issue but not effective:

The Establishment has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and Revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	1 January 2021
Definition of Material – Amendments to IAS 1 and IAS 8	01 st January 2020
Definition of a Business – Amendments to IFRS 3	01 st January 2020
Amendments to IFRS 10	Effective date deferred indefinitely. Adoption is still not permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Establishment in the year of initial application.

3. Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable rules and regulation of the UAE Law and JAFZA rules & regulations. The significant accounting policies, which have been applied, are set out below:

a) **Going concern basis of accounting**

The financial statements have been prepared on a going concern basis, which assumes that the Establishment will be able to meet the mandatory repayment terms.

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b) Application of IFRS 9 Financial Instruments

The Establishment has adopted IFRS 9 effective from 1 January 2018. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances which existed at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

The requirements for classification and measurement of financial liabilities under IFRS 9 are largely as existing under IAS 39.

IFRS 9 replaces the “incurred loss” model under IAS 39 with “expected credit loss” model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments.

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the “hedged ratio” to be the same as that used by the Establishment for risk management purposes.

The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Establishment. When assessing hedge effectiveness under IFRS 9, the Establishment is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or the hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

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Impairment of financial assets

The Establishment has financial assets under “trade and other receivables” that are subject to the expected credit loss model under IFRS 9. The Establishment has applied the simplified approach to measuring the expected credit losses which uses lifetime expected loss allowance for all trade receivables and financial investments. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and days past due. The revised impairment methodology has not resulted in additional credit loss in trade receivables and financial investments.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However in accordance with transition provisions under IFRS 9, the Establishment has elected not to restate the comparative years.

c) Accounting Convention:

These financial statements have been prepared under the historical Cost convention. The accounting policies have been consistently applied by the Establishment.

d) Revenue recognition:

Income is recognized when it is earned, not necessarily when received. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs.

It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue as and when the Group satisfies a performance obligation.

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e) Leases:

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether and Arrangement contains a Lease, SIC - 15 Operating Leases - Incentives and SIC - 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Establishment also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option and lease contracts for which the underlying asset is of low value.

f) Other Income

Other Income is recognized on an accrual basis or when the Establishment's right to receive payment is established.

g) Property, Plant & Equipment:

Property, Plant & Equipment is stated at historical cost less accumulated depreciation and identified impairment loss, if any. The cost comprises of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant & equipment is depreciated using the Straight Line Method basis after considering the average life of the asset.

The Carrying value of Property, Plant & Equipment is viewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when the expenditure is incurred.

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JAFZA, Dubai - UAE

The carrying amount of the property, plant and equipment are reviewed quarterly for impairment when events or changes in circumstances indicate that carrying amount may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the carrying values are written-down immediately to their recoverable amount.

h) Foreign Currency Transactions:

Foreign currency transactions are recorded in US Dollars at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the statement of financial position date are converted into US Dollars at the period end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise.

i) Revenue:

Income represents the invoiced value of goods sold/services rendered during the period, net of discounts and returns.

j) Inventory:

Inventory is stated at cost or net realizable value, whichever is lower. The cost of closing inventory is determined on the basis of Weight cost average. Net Realizable Value represents the estimated selling price less all estimated cost of completion and cost of disposal. A general provision for slow moving items has been made and adjusted with the value of the closing stock. These provisions are valued and determined by the management, as on statement financial position there is no inventory.

k) Trade receivables:

The schedule of trade receivables represents amounts falling due as on the date of Statement of financial position. Trade receivables normally require the amounts to be received within 90 days from the date of invoice. Bad debts are written off as and when they arise. Trade receivables are stated net of provision for doubtful debts and discounts.

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l) Employees' Terminal benefits:

Provision is made in accounts for end of service benefits due to employees in accordance with UAE federal labour Laws No (8) year 1980 and JAFZA Rules & Regulations. Provision is made for amounts payable under the UAE Labour Law applicable to employees Accumulated period of service at the date of the Statement of Financial Position.

m) Rounding off:

The figures stated in the attached financial statements are rounded off to the nearest US Dollars.

n) Fair Value of financial instruments:

The value of all classes of financial assets and financial liabilities, as recorded in the statement of financial position approximate the fair value of these assets and liabilities.

o) General:

In the opinion of the management all the assets as shown in the financial statements are existing and realizable at the amount shown against and there are no liabilities against the Establishment contingent or otherwise not included in the above financial statements.

p) Profit and Loss account:

The Establishment's profit is arrived at after charging all expenses, incurred in day to day operations of the business.

q) Trade Payables:

The schedule of Trade payables represents amounts falling due as on the date of statement of financial position. Trade payables are normally settled within 90 days. Liabilities are recognized for amounts to be paid in the future for goods of services whether or not billed to the Establishment.

r) Inflationary Factor:

No adjustments have been made in these financial statements to identify the inflationary factor.

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s) Key Sources of Estimation Uncertainty

The entity management set out the entity's overall business strategies and its risk management policy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the entity. The entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the entity's policy guidelines are complied with.

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

The entity is exposed to the following risks related to financial instruments. The entity has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign Currency risk management

The entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date based on contractual repayment agreements were as follows:

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	Interest Bearing			Non Interest Bearing			
Particulars (Figures in USD)	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	Total
As at 31st March 2020							
Financial Assets							
Cash and Bank Balances	-	-	-	12,044	-	-	12,044
Trade Receivables	-	-	-	-	89,673,032	-	89,673,032
TOTAL	-	-	-	12,044	89,673,032	-	89,685,076
Financial Liabilities							
Trade Payables	-	-	-	-	22,931,106	-	22,931,106
TOTAL	-	-	-	-	22,993,980	-	22,931,106

c) Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with the credit worthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the entity maintains and allowances for doubtful debts based on expected collectability of all trade receivables.

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JAFZA, Dubai - UAE

The Establishment is exposed to credit risk on its Bank Balances & Trade receivables as follows:

Particulars	31st March 2020	31st March 2019
	USD	USD
Bank Balances	10,863	1,505,999
Trade Receivables	89,673,032	67,649,727
TOTAL	89,683,895	69,155,726

The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting limits for individual customers and monitoring outstanding Trade receivables.

With respect to credit risk arising from the other financial assets of the Establishment, including cash and cash equivalents, the Establishment's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risk on trade and other receivable are disclosed in the notes to financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit- ratings assigned by international credit-ratings agencies.

d) Capital risk management

The Establishment's objectives when managing capital is to safeguard the Establishment's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business in order to maintain or adjust the capital structure.

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JAFZA, Dubai - UAE

The Establishment may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Establishment monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less Cash at Bank.

The Establishment manages its capital structure and makes adjustments to it, in light of changed in economic conditions. No Changes were made in the objectives, Policies or Processes during the years ended 31st March 2020 and 31st March 2019. Capital Consists of Share Capital, Shareholder's Loan Account and Retained Earnings measured at USD. 66,760,302/- as at 31st March 2020 (March 2019 - USD. 56,009,676/-).

e) Impairment of Trade Receivables

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade receivables was USD. 89,673,032/- (March 2019: USD. 67,649,727/-) with provision for doubtful debts USD. Nil/- (March 2019: USD. Nil/-). Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the statement of comprehensive income.

f) Useful Lives of Property and Equipment

The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This Estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Veritas International FZE
JAFZA, Dubai - UAE

t) Contingencies and commitments:

As at 31st March 2020 the Establishment doesn't have any commitments other than the cheques issued which are not yet presented in the bank for collection.

u) Exchange Rate Risk:

Since the main currencies of the financial instruments, other assets, liabilities and trading transactions including purchase and sales are UAE Dirham's and US Dollars, the Establishment is not exposed to any significant exchange rate risk.

v) Financial Charges:

The Financial Charges includes finance cost charges, other charges related to finance and bank charges.

w) Corresponding Figures:

The corresponding figures of the previous year are not comparable as these comprise the financial position and operating results for the year 31st March 2019, while the current figures comprised the financial position and operating results for the year ended 31st March 2020. Reclassification has been made wherever necessary, for the purpose of better presentation of financial information.

x) Subsequent Events:

There were no significant events subsequent to the period ended 31st March 2020 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.

Veritas International FZE
JAFZA, Dubai - UAE

4. Share Capital Account:

31st March 2020

Authorized, Subscribed, Issued, Paid up Share Capital;

- 16 Shares of AED.1,000,000/- each

AED. 16,000,000/- USD 4,353,742/-

Held By

Shareholder and his holdings;

M/s. Veritas (India) Limited,

16 shares AED. 16,000,000/- USD 4,353,742/-

Incorporated in India

Total

16 shares AED, 16,000,000/- USD 4,353,742/-

5. Property, Plant & Equipment:

There is no property plant & equipment in the books of the establishment as on the date of statement of financial position.

Veritas International FZE

JAFZA, Dubai - UAE

31st March 2020

Notes to the Financial Statements

	Mar-20	Mar-19
	USD	USD
6. Investments in Subsidiary		
Shares of M/s. Veritas Global Pte. Singapore	74	74
	74	74

The value of above Investments in Subsidiary are confirmed by the management.

7. Cash & Cash Equivalents

Cash in hand	1,181	927
Cash at Bank	10,863	1,505,999
	12,044	1,506,926

Cash and Cash Equivalents are items, which are readily convertible to known amounts of Cash and which are subject to insignificant risk of change in value.

8. Trade & Other Receivables

Trade Receivables	89,673,032	67,649,727
	89,673,032	67,649,727

Ageing Analysis:

0 - 180 days	89,673,032	67,649,727
	89,673,032	67,649,727

The company uses an allowance account when recognizing impairment losses on its receivables unless otherwise determined that the likelihood of collection is remote, in which the Establishment directly charges the loss against its receivables. The management writes off receivables if after exhausting prudent collection procedures, the Management assessed that the possibility of collection is remote.

The Management considers the all the trade receivables as good and hence has not made any provision for bad and Doubtful debts.

9. Other Current Assets

Deposits	2,068	2,068
Loans & Advances	4,811	3,311
VAT Receivables	740	451
	7,619	5,830

Veritas International FZE

JAFZA, Dubai - UAE

31st March 2020

Notes to the Financial Statements

	Mar-20 USD	Mar-19 USD
10. Trade & Other Payables		
Trade Payables	22,931,106	13,148,372
	22,931,106	13,148,372
<i>Ageing Analysis:</i>		
0 - 180 days	22,931,106	13,148,372
	22,931,106	13,148,372
<i>Geographical Analysis:</i>		
Outside UAE	22,931,106	13,148,372
11. Accruals & Provisions		
Provisions	1,361	1,361
Accrued Expenses	-	3,148
	1,361	4,509
12. Shareholder's Loan Account		
Balance at the beginning of the year	1,597,808	21,875
Add: Interest for Unsecured Loan	52,500	1,575,933
Balance at the end of the year	1,650,308	1,597,808
13. Retained Earnings		
Balance at the beginning of the year	50,058,126	39,503,441
Add: Net profit for the year	11,002,888	10,815,910
Less: Dividend Paid	(304,762)	(261,225)
Balance at the end of the year	60,756,252	50,058,126

Veritas International FZE

JAFZA, Dubai - UAE

31st March 2020

Notes to the Financial Statements

	Mar-20	Mar-19
	USD	USD
F. Sales		
Sales	198,079,287	174,091,660
	198,079,287	174,091,660
<i>Geographical analysis</i>		
Outside UAE	198,079,287	174,091,660
	198,079,287	174,091,660
G. Cost of Sales		
Net Purchases (including Direct Cost)	186,923,842	162,475,919
	186,923,842	162,475,919
H. General and Administration Expenses		
Rent & Accommodation	17,660	17,783
Printing & Stationery Expenses	1,510	1,231
Postage & Courier Charges	1,165	2,459
Travelling Expenses	595	7,731
Communication And Utilities	6,841	5,824
License, Professional & Legal Charges	26,687	15,603
Foreign Exchange Loss	214	20,755
Conveyance Expenses	2,735	2,874
General Expenses	37,258	31,810
	94,665	111,348
I. Financial Charges		
Finance Cost * and Bank Charges	57,892	1,100,095
	57,892	1,100,095

* Finance Cost represents interest on and interest on loans.

Veritas International FZE

JAFZA, Dubai - UAE

31st March 2020

Performance Analysis

	Mar-20	Mar-19
	USD	USD
Particulars		
Sales	198,079,287	174,091,660
Cost of Sales	186,923,842	162,475,919
Gross Profit	11,155,445	11,615,741
Gross Profit Ratio	5.63%	6.67%
Other Income	-	411,612
Indirect Expenses	152,557	1,211,443
Net Profit	11,002,888	10,815,910
Net Profit Ratio	5.55%	6.21%
Depreciation	-	-
Cash Profit	11,002,888	10,815,910

Liquidity Ratios

Current Ratio	3.91	5.26
Current Assets/ Current Liabilities		

Quick Ratio or Liquid Ratio	3.91	5.26
(Cash + Marketable Securities + Accounts receivables) / Current Liabilities		

Debt-to-Asset Ratio	0.26	0.19
Total Liabilities / Total Assets		

RATES OF RETURN

Return on Equity	0.16	0.19
Net Income/ Total Shareholders Equity		

Return on Assets		
Net Income/ Total Average Assets	0.25	0.31

VERITAS GLOBAL PTE. LTD.
(Registration No. : 201010094Z)

**DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS**

YEAR ENDED MARCH 31, 2020

VERITAS GLOBAL PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

	<u>PAGE</u>
Directors' statement	1 - 2
Independent auditor's report	3 - 5
Balance sheet	6
Statement of profit or loss and other comprehensive income	7
Statement of changes in equity	8
Cash flow statement	9
Notes to financial statements	10 - 22

VERITAS GLOBAL PTE. LTD.

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the company for the financial year ended March 31, 2020.

In the opinion of the directors, the financial statements as set out on pages 6 to 22 are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2020, and the financial performance, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, with the continued financial support from its holding company, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1. DIRECTORS

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

Ang Teck Lee (Hong Deli)
Nitinkumar Deendayal Didwania

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

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debenture of the company as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and company <u>in which interests are held</u>	At beginning <u>of the year</u>	At end of <u>the year</u>
Holding company <u>- Veritas (India) Limited</u> (Ordinary shares)		
Nitinkumar Deendayal Didwania	9,250,000	9,250,000

VERITAS GLOBAL PTE. LTD.

DIRECTORS' STATEMENT

4. SHARE OPTIONS

- (a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the company was granted.

- (b) Options exercised

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

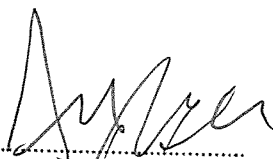
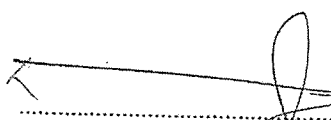
- (c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company under option.

5. AUDITORS

The auditors, A.H. Low & Co, have expressed their willingness to accept re-appointment.

THE DIRECTORS


.....
Ang Teck Lee (Hong Deli)
.....
Nitinkumar Deendayal Didwania

Date May 26, 2020

A. H. LOW & CO

Chartered Accountants, Singapore
Audit Firm Number: T00PF0759B

165 Bukit Merah Central
#05-3679
Singapore 150165
Tel: 6273-3882 Fax: 6271-7112

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

VERITAS GLOBAL PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Veritas Global Pte. Ltd., which comprise the balance sheet of the company as at March 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 22.

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

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw your attention to Note 1 to the financial statements, the current liabilities of the company exceeded the current assets by US\$16,410 and the company has capital deficiency of US\$16,410. The financial statements have been prepared on a going concern basis on the assumption that financial support will be available from the company's holding company as and when required. If the financial supports are not forthcoming, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the balance sheet. In addition, the company may have to provide for further liabilities that might arise. Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

VERITAS GLOBAL PTE. LTD.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

VERITAS GLOBAL PTE. LTD.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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



A. H. Low & Co
Public Accountants and
Chartered Accountants
Singapore

Date May 26, 2020

VERITAS GLOBAL PTE. LTD.

BALANCE SHEET
MARCH 31, 2020

	<u>Note</u>	<u>2020</u> US\$	<u>2019</u> US\$
<u>ASSETS</u>			
Current assets:			
Trade receivables	5	-	100,550
Other receivables	6	2,146	2,146
Total current assets, representing total assets		<u>2,146</u>	<u>102,696</u>
<u>LIABILITIES AND (CAPITAL DEFICIENCY)/EQUITY</u>			
Current liabilities:			
Trade payables	7	1,566	1,566
Other payables	8	16,990	15,035
Total current liabilities		<u>18,556</u>	<u>16,601</u>
Capital and reserves:			
Share capital	9	77	77
Retained earnings		(16,487)	86,018
Total equity		<u>(16,410)</u>	<u>86,095</u>
Total liabilities, net of capital deficiency/and equity		<u>2,146</u>	<u>102,696</u>

See accompanying notes to financial statements.

VERITAS GLOBAL PTE. LTD.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2020**

	<u>Note</u>	<u>2020</u> US\$	<u>2019</u> US\$
Other operating expenses		<u>(102,505)</u>	<u>(6,716)</u>
Loss before income tax	10	(102,505)	(6,716)
Income tax expense	11	<u>-</u>	<u>-</u>
Loss for the year		<u>(102,505)</u>	<u>(6,716)</u>
Total comprehensive income for the year		<u>(102,505)</u>	<u>(6,716)</u>

See accompanying notes to financial statements.

VERITAS GLOBAL PTE. LTD.

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2020**

	Share capital	Retained earnings	Total
	US\$	US\$	US\$
Balance at April 1, 2019	77	92,734	92,811
Total comprehensive income for the year			
Loss for the year	-	(6,716)	(6,716)
Balance at March 31, 2019	77	86,018	86,095
Total comprehensive income for the year			
Loss for the year	-	(102,505)	(102,505)
Balance at March 31, 2020	77	(16,487)	(16,410)

See accompanying notes to financial statements.

VERITAS GLOBAL PTE. LTD.**CASH FLOW STATEMENT
YEAR ENDED MARCH 31, 2020**

	<u>2020</u> US\$	<u>2019</u> US\$
Cash flows from operating activities:		
Loss before income tax	(102,505)	(6,716)
Adjustment for:		
Allowance for doubtful receivables – trade	<u>100,550</u>	<u>-</u>
Operating cash flows before movements in working capital	(1,955)	(6,716)
Other receivables	-	401
Other payables	<u>1,955</u>	<u>6,315</u>
Net cash from operating activities	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the year	<u><u>-</u></u>	<u><u>-</u></u>

See accompanying notes to financial statements.

VERITAS GLOBAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2020

1. GENERAL

The company (Registration No. 201010094Z) is incorporated in Singapore with its principal place of business and registered office at 100 Tras Street #16-01 100 AM, Singapore 079027. The financial statements are expressed in United States dollars, which is the functional currency of the company.

The principal activities of the company are those of general wholesale trade including general importers and exporters and other holding companies. During the financial year, the company remains dormant.

The company is a subsidiary of Veritas International FZE, incorporated in United Arab Emirates, which is the company's immediate holding company. The ultimate holding company is Veritas (India) Limited, incorporated in India.

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

The current liabilities of the company exceeded the current assets by US\$16,410 and the company has capital deficiency of US\$16,410. The financial statements have been prepared on a going concern basis on the assumption that financial support will be available from the company's holding company as and when required. If the financial supports are not forthcoming, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the balance sheet. In addition, the company may have to provide for further liabilities that might arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

2.2 ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2019, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

Effective for annual periods beginning on or after January 1, 2020

- Amendments to FRS 1 *Presentation of Financial Statements* and FRS 8 *Accounting Policies*, *Changes in Accounting Estimates and Errors: Definition of Material*
- Amendments to FRS 103 *Business Combinations: Definition of a Business*
- Amendments to References to the Conceptual Framework in FRS Standards

Effective for annual periods beginning on or after January 1, 2021

- FRS 117 *Insurance Contracts*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Effective date is deferred indefinitely

- Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

2.3 FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.3.1.1 Classification of financial assets

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

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

Amortised cost and effective interest method

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

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 FINANCIAL INSTRUMENTS (CONT'D)

2.3.1.2 Impairment of financial assets

The company recognises a loss allowance for expected credit losses (“ECL”) on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the forecast economic information that relate to the business of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 FINANCIAL INSTRUMENTS (CONT'D)

2.3.1.2 Impairment of financial assets (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as 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 company expects to receive, discounted at the original effective interest rate.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

2.3.1.3 Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.3.2 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 FINANCIAL INSTRUMENTS (CONT'D)

2.3.2 Financial liabilities and equity instruments (cont'd)

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

2.4 PROVISIONS - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

2.5 INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in country where the company operates by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 INCOME TAX (CONT'D)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

2.6 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the company are measured and presented in the currency of the primary economic environment in which the company operates (its functional currency) which is the United States dollars.

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) *Critical judgements in applying the company's accounting policies*

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

There are no critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recoverability of trade receivables

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar risk characteristics. The carrying amount of the company's trade receivables at the end of the reporting period is disclosed in Note 5 to the financial statements.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2020 US\$	2019 US\$
Financial assets:		
Trade receivables	-	100,550
Other receivables	2,146	2,146
Total financial assets at amortised cost	<u>2,146</u>	<u>102,696</u>
Financial liabilities:		
Trade payables	1,566	1,566
Other payables	16,990	15,035
Total financial liabilities at amortised cost	<u>18,556</u>	<u>16,601</u>

(b) Financial instruments subject to offsetting, enforceable master netting arrangements, and similar agreements.

The company does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives

The company's major financial instruments include trade and other receivables, and trade and other payables. The risks associated with these financial instruments include market risk (primarily being foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

i) Foreign currency risk

Foreign currency risk refers to the risk that arises from the movements in the foreign currency exchange rate against United States dollars that will affect the company's financial results and its cash flows.

The company's foreign currency exposures arise mainly from the exchange rate movements of the Singapore dollars against the United States dollars.

At the end of the reporting period, the carrying amounts of monetary liabilities denominated in currency other than the company's functional currency are as follows:

	<u>Liabilities</u>	
	<u>2020</u>	<u>2019</u>
	US\$	US\$
Singapore dollars	<u>2,347</u>	<u>7,999</u>

The following table details the sensitivity to a 2% increase and decrease in the relevant foreign currencies against the functional currency of the company. 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

If the relevant foreign currency strengthens by 2% against the Singapore dollars, profit before income tax will decrease by:

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Singapore dollars	<u>(47)</u>	<u>(160)</u>

The opposite applies if the relevant foreign currency weakens by 10% against the functional currency of the company.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

ii) Interest rate risk

The company has minimal exposure to interest rate risk as it does not have significant interest bearing financial assets and liabilities at the end of the reporting period. As such, no sensitivity analysis is prepared.

iii) Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in a financial loss to the company.

The company develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The company uses its own trading records to rate its major customers and other debtors.

The company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
<u>2020</u>						
Trade receivables	5	(i)	Lifetime ECL (simplified approach)	100,550	(100,550)	-
					<u>(100,550)</u>	

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

iii) Credit risk (cont'd)

	<u>Note</u>	<u>Internal credit rating</u>	<u>12-month or lifetime ECL</u>	<u>Gross carrying amount US\$</u>	<u>Loss allowance US\$</u>	<u>Net carrying amount US\$</u>
<u>2019</u>						
Trade receivables	5	(i)	Lifetime ECL (simplified approach)	100,550	-	100,550
					<u>-</u>	

(i) The company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The company only grants credit to creditworthy counterparties. Deposits are considered to be low risk and the loss allowance is determined at an amount equal to 12-month ECL.

Although the company's credit exposure is concentrated mainly in Singapore, it has no significant concentration of credit risk with any single customer or group of customers. The company does not require any collateral in respect of trade receivables.

iv) Liquidity risk

Liquidity risk is managed by matching the payment and receipt cycle. The company's operations are financed mainly through equity and accumulated profits.

All financial liabilities in 2019 and 2020 are repayable on demand or due within 1 year from the end of the reporting period, and are non-interest bearing.

v) Fair values of financial assets and financial liabilities

The carrying amounts of trade and other receivables, and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(d) Capital risk management policies and objectives

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises only of share capital and retained earnings. The company's overall strategy remains unchanged from 2019.

Management reviews the capital structure on an annual basis to balance its overall capital structure through the issue of new capital and distribution of dividend.

The company is not subject to any externally imposed capital requirements for the year ended March 31, 2020 and 2019.

5. TRADE RECEIVABLES

	2020 US\$	2019 US\$
Third parties	100,550	100,550
Loss allowance	(100,550)	-
	<u>-</u>	<u>100,550</u>

The average credit period on sale of goods is 30 days (2019: 30 days). No interest is charged on the outstanding balance.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. The company has recognised a loss allowance of 100% against all receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables from contracts with customers based on the company's provision matrix. As the company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the company's different customer base.

2020	Trade receivables – days past due	
	More than 90 days	Total
	US\$	US\$
Expected credit loss rate	100%	
Estimated total gross carrying amount at default	100,550	100,550
Lifetime ECL	(100,550)	(100,550)
		<u>-</u>

5. TRADE RECEIVABLES (CONT'D)

<u>2019</u>	Trade receivables – days past due	
	More than 90 days	Total
	US\$	US\$
Expected credit loss rate	0%	
Estimated total gross carrying amount at default	100,550	100,550
Lifetime ECL	-	-
		<u>100,550</u>

The movements in credit loss allowance are as follows:

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Loss allowance recognised in profit or loss during the year on:		
- Assets originated	100,550	-
Balance at the end of the year	<u>100,550</u>	<u>-</u>

6. OTHER RECEIVABLES

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Deposits	<u>2,146</u>	<u>2,146</u>

7. TRADE PAYABLES

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Third parties	<u>1,566</u>	<u>1,566</u>

The average credit period on purchases of goods is 180 days (2019: 180 days). No interest is charged on the outstanding balance.

8. OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Accrued expenses	2,347	7,999
Other payables	<u>14,643</u>	<u>7,036</u>
	<u>16,990</u>	<u>15,035</u>

The company's other payables that are not denominated in the functional currency are as follows:

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Singapore dollars	<u>2,347</u>	<u>7,999</u>

9. SHARE CAPITAL

	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Number of ordinary shares		US\$	US\$
Issued and fully paid:				
At the beginning and end of the year	<u>100</u>	<u>100</u>	<u>77</u>	<u>77</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

10. LOSS BEFORE INCOME TAX

Loss before income tax includes the following charges:

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Allowance for doubtful receivables – trade	<u>100,550</u>	<u>-</u>

11. INCOME TAX EXPENSE

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Current	<u>-</u>	<u>-</u>
Total income tax expense	<u>-</u>	<u>-</u>

Domestic income tax is calculated at 17% (2019: 17%) of the estimated assessable loss for the year.

The total charge for the year can be reconciled to the accounting loss as follows:

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Loss before income tax	<u>(102,505)</u>	<u>(6,716)</u>
Income tax benefit calculated at 17% (2019: 17%)	(17,426)	(1,142)
Non-allowable items	<u>17,426</u>	<u>1,142</u>
Income tax expense recognised in profit and loss	<u>-</u>	<u>-</u>

Subject to the agreement by the tax authorities, at the end of the reporting period, the company has unutilised tax losses of US\$4,469 (2019: US\$4,469) available for offset against future profits. Unutilised tax losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

Unutilised tax benefits arising from these unabsorbed tax losses have not been recognised as there is no reasonable certainty of their realisation in future years.