RAHUL GAUTAM DIVAN & ASSOCIATES

Chartered Accountants

C/o MIDSNELL, 134 Mittal Tower 'C', Nariman Point, Mumbai 400 021, India.
Phone: (+ 91-22) 6632 4991, 6632 4992. E-mail: rdivan@gmail.com / rahul@rgd.firm.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AAREY ORGANIC INDUSTRIES PRIVATE LIMITED

Report on the Audit of the Standalone Ind AS Financial

Opinion

We have audited the accompanying Standalone Ind AS financial statements of AAREY ORGANIC INDUSTRIES PRIVATE LIMITED ("the Company"), which comprise the Balance sheet as at 31 March 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including 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 Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the 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 31 March 2025, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.



Information Other than the Financial Statements and Auditor's Report Thereon

Our opinion on the Standalone Ind AS 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 Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS 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 for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone 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 Standalone Ind AS financial statements for the financial year ended 31 March 2025. 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, is not 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on 31 March 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025, 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 1" to this report;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has no pending litigations that will impact its financial position in its financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note to the accounts, no funds have been received by the company from in any other person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. There is no dividend declared or paid during the period by the Company and hence provisions of Section 123 of the Companies Act, 2013 are not applicable.



vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants



Rahul Divan
Partner
Membership No.: 100733
UDIN: 25100733BMNQNJ7201
Place: Mumbai
Date: 13 May 2025



RAHUL GAUTAM DIVAN & ASSOCIATES

Chartered Accountants

C/o MIDSNELL, 134 Mittal Tower 'C', Nariman Point, Mumbai 400 021, India.
Phone: (+ 91-22) 6632 4991, 6632 4992. E-mail: rdivan@gmail.com / rahul@rgd.firm.in

ANNEXURE '1' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

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

We have audited the internal financial controls over financial reporting of AAREY ORGANIC INDUSTRIES PRIVATE LIMITED ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone 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 the 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 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 internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, 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 Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

Rahul Divan
Partner
Membership No.: 100733
UDIN: 25100733BMNQNJ7201
Place: Mumbai
Date: 13 May 2025

AAREY ORGANIC INDUSTRIES PVT.LTD.
Registered office: Plot No.C-7/5, MIDC,
TTC Industrial Area, Pawane, Navi Mumbai, Mumbai City, NAVI MUMBAI, Maharashtra, India, 400705
CIN : U24110MH1992PTC065089

STATEMENT OF AUDITED FINANCIAL RESULT FOR THE QUARTER AND YEAR ENDED MARCH 31, 2025

(₹ in lakhs except as stated)

	Partculars	Quarter ended			Year ended	
		March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	**Income**					
	(a) Revenue from operations	9.90	5.28	-	15.18	-
	(b) Other income	-	-	0.05	-	0.37
2	**Total Income (a)+(b)**	**9.90**	**5.28**	**0.05**	**15.18**	**0.37**
3	**Expenses**					
	(a)Stores, Spares and Tools Consumed	-	-	-	-	-
	(b) Operating Expenses	-	-	-	-	-
	(c) Changes in inventories of wok-in-process	-	-	-	-	-
	(d) Employee benefit expenses	1.82	-	-	1.82	-
	(e) Finance costs	1.36	1.36	2.23	5.35	4.98
	(f) Depreciation and amortisation expenses	2.16	2.16	2.16	8.65	8.65
	(g) Other Expenses	4.04	2.75	10.54	12.13	10.90
4	**Total expenses (a to g)**	**9.38**	**6.27**	**14.92**	**27.95**	**24.52**
5	**Profit / (loss) before tax (2-4)**	**0.52**	**(1.00)**	**(14.87)**	**(12.77)**	**(24.15)**
6	**Tax expense**					
	(a) Current Tax	-	-	-	-	-
	(b) Short / (excess) Tax provision for earlier years	-	-	-	-	-
	(c) Deferred Tax	-	-	-	-	-
7	**Profit / (Loss) for the period / year ended after tax (5-6)**	**0.52**	**(1.00)**	**(14.87)**	**(12.77)**	**(24.15)**
8	**Other Comprehensive Income**					
	Item that will be reclassified to statement of profit and loss	-	-	-		
	Item that will not be reclassified to statement of profit and loss	-	-	-		
9	**Total comprehensive Income for the period / year (7+8)**	**0.52**	**(1.00)**	**(14.87)**	**(12.77)**	**(24.15)**
10	Paid up equity share capital (face value : ₹ 10/- each)	2.00	2.00	2.00	2.00	2.00
11	**Earnings/(Loss) per share (of ₹ 10/- each) (Not annualised)**					
	- Basic & Diluted (₹.)	2.61	(4.98)	(74.37)	(63.87)	(120.77)

1 The above financial results have been reviewed and taken on record by the board of directors at their meeting held on

2 The above Statement of uaudited Financial Results of the Company has been drawn up in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) rules, 2015 as amended from time to time and other accounting principles generally accepted in India. The financial results have been prepared in accordance with the recognition and measurement principles prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices generally accepted in India

3 Figures for the previous periods have been regrouped, recast and reclassified, wherever necessary.

For and on behalf of Board of Directors

AAREY ORGANIC INDUSTRIES PVT. LTD.

Place: Mumbai
Date: 13-05-2025

Vineet Saran Agrawal
Director
DIN: 06993827

Naveen Mohta
Director
DIN: 07027180

AAREY ORGANIC INDUSTRIES PVT LTD

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

₹' Lakhs

Particulars	For the period ended March 31, 2025		For the period ended March 31, 2024	
Operating Activities				
Loss for the year before tax	(12.77)		(24.15)	
Depreciation	8.65		8.65	
Interest paid	5.35		-	
Movement in claim provision	-		-	
Movement in pledge account	-		-	
Write off	-		-	
W/off fixed and loss on sale of fixed assets	-		-	
Operating Profit before working capital changes	**1.23**		**(15.50)**	
Adjustments for				
Current Assets	(0.94)		0.06	
Current Liabilities	22.48		(6.64)	
Cash Generated from Operating Activities				
Less: Taxes Paid	-		0.06	
Net Cash Inflow from Operating Activities		22.77		(22.02)
Investing Activities				
Acquisition tangible assets	-		-	
(CWIP) conversion into FA (net)	-		-	
Acquisition intangible assets	-		-	
Increase in CWIP	-		-	
Proceed from the disposal of fixed assets	-		-	
Net Cash (used in)/provided by investing activities		-		-
Financing Activities				
Other movements	-		-	
Return of investment in associated	-		-	
Interest paid	(5.35)		-	
Dividends paid	-		-	
Income tax	-		-	
Net Cash used in financing activities		(5.35)		-
Net Cash Inflow		17.42		(22.02)
Opening balance of Cash and cash equivalents	0.07	0.07		22.09
Closing balance of Cash and Cash Equivalents	INR	**17.50**	INR	**0.07**
Cash and Cash Equivalents as per BS		17.50		0.07

For and on behalf of
Rahul Gautam Divan & Associates

Rahul Divan
Partner
UDIN 25100733BMNQNJ7201

Place: Mumbai
Date: 13-05-2025

For and on behalf of the Board of Directors
AAREY ORGANIC INDUSTRIES PVT LTD

Vineet Saran Agrawal
Director
DIN: 06993827

Naveen Mohta
Director
DIN: 07027180

AAREY ORGANIC INDUSTRIES PVT LTD

Balance Sheet as at March 31, 2025

(₹' Lakhs)

Particulars	As at 31.03-2025	As at 31.03.2024
A - ASSETS		
1) Non-current assets		
(a) Property, plant and equipment	209.14	217.79
(b) Financial assets		
(i) Other financial assets	0.38	0.28
(c) Non-current tax assets (net)	-	-
	209.52	**218.07**
2) Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	17.49	0.06
(ii) Trade Receivable	-	-
(iii) Other financial assets		
(iv) Other current assets	0.88	0.04
	18.37	**0.10**
TOTAL ASSETS	**227.89**	**218.17**
B- EQUITY AND LIABILITIES		
1) Equity		
(a) Equity share capital	2.00	2.00
(b) Other equity	139.92	152.68
	141.92	**154.68**
2) Labilities		
Non-Current liabilities		
(a) Other Long Term Liabilities	-	-
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	56.58	51.77
(ii) Trade payables		
-Total Outstanding dues to micro enterprises and small enterprises	-	-
-Total Outstanding dues of creditors other than micro enterprises and small enterprises	0.11	1.91
(b) Other current liabilities	27.65	0.67
(c) Provisions	1.61	9.13
	85.95	**63.48**
TOTAL EQUITY AND LIABILITIES	**227.89**	**218.16**

For and on behalf of
Rahul Gautam Divan & Associates

Rahul Divan
Partner
UDIN25100733BMNQNJ7201

Place: Mumbai
Date: 13-05-2025

For and on behalf of the Board of Directors
AAREY ORGANIC INDUSTRIES PVT LTD

Vineet Saran Agrawal
Director
DIN: 06993827

Naveen Mohta
Director
DIN: 07027180

AAREY ORGANIC INDUSTRIES PVT LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31 2025

(₹' Lakhs)

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Income:		
Revenue from Operations	15.18	-
Other income	-	0.37
TOTAL INCOME	**15.18**	**0.37**
Expenses:		
Finance costs	5.35	4.98
Depreciation and amortisation expenses	8.65	8.65
Employee benefit Expense	1.82	-
Other expenses	12.13	10.90
TOTAL EXPENSES	**27.95**	**24.53**
PROFIT / (LOSS) BEFORE TAX	**-12.77**	**-24.16**
Tax expenses:		
Current tax	-	-
TOTAL TAX EXPENSES		-
PROFIT / (LOSS) FOR THE YEAR	**-12.77**	**-24.16**
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss (net of tax)	-	-
TOTAL COMPREHENSIVE INCOME	**-12.77**	**-24.16**
Earnings per equity share:		
Basic & Diluted (Face Value of ₹ 10/- each)	-63.87	-120.82

For and on behalf of
Rahul Gautam Divan & Associates

Rahul Divan
Partner
UDIN25100733BMNQNJ7201

Place: Mumbai
Date: 13-05-2025

For and on behalf of the Board of Directors
AAREY ORGANIC INDUSTRIES PVT LTD

Vineet Saran Agrawal
Director
DIN: 06993827

Naveen Mohta
Director
DIN: 07027180

AAREY ORGANIC INDUSTRIES PVT LTD

Statement of Changes in Equity for the year ended March 31, 2025

(A) Equity Share Capital

(1) Current reporting period

₹' Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2.00	-	-	-	2.00

(2) Previous reporting period

₹' Lakhs

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the current previous period
2.00	-	-	-	2.00

(B) Other Equity

₹' Lakhs

Particulars		31-03-2025	31-03-2024
Retained Earnings (Note 14)			
Balance as per the last		152.69	176.66
Profit / (loss) for the year		(12.77)	(23.97)
Total Other		139.92	152.69
Closing Balance		**139.92**	**152.69**
Other items of Comprehensive Income			
Balance as per the last	-	-	-
Profit / (loss) for the year	0.00	-	-
Total Other comprehensive Income for the year	0.00	-	-
Closing Balance	-	-	-

As per our report of even date

For and on behalf of
Rahul Gautam Divan & Associates

Rahul Divan
Partner
UDIN25100733BMNQNJ7201

Place: Mumbai
Date: 13-05-2025

For and on behalf of the Board of Directors
AAREY ORGANIC INDUSTRIES PVT LTD

Vineet Saran Agrawal
Director
DIN: 06993827

Naveen Mohta
Director
DIN: 07027180

Note 4 - Property Plant and Equipment

(Amounts in Lakhs)

Property, Plant and Equipment	Land	Building	Total	As at 31.03.2024	As at 31.03.2023
Cost or valuation As on 01.04.2024	30	273	303	303	303
Addition for year	-	-	-	-	-
Deletion for year	-	-	-	-	-
As on 01.04-2024	**30**	**273**	**303**	**303**	**303**
Depreciation As on 01.04.2024	-	85	85	78	68
For the year	-	2	2	2	9
As on 30.06.2024	-	**87**	**87**	**80**	**76**
Depreciation As on 01.07.2024	-	87	87	81	68
For the year	-	2	2	2	9
As on 30.09.2024	-	**89**	**89**	**83**	**76**
Depreciation As on 01.10.2024	-	89	**89**	**83**	**68**
For the year	-	2	2	2	9
As on 31.12.2024	-	**91**	**91**	**85**	**76**
Depreciation As on 01.01.2025	-	91	91	85	68
For the year	-	2	2	2	2
As on 31.03-2025	-	**94**	**94**	**87**	**76**
Net Block					
As on 31-03-2025	**30**	**180**	**209.00**		
As on 31.03.2024	**30**	**188**	**216.00**		
As on 31.03.2023	**30**	**197**	**227.00**		





AAREY ORGANIC INDUSTRIES PVT LTD
Notes to Financial Statements for the Quarter ended March 31, 2025

	As at 31-03-2025	As at 31.03.2024
NOTE 5 : OTHER FINANCIALS ASSETS - NON CURRENT		
Security Deposit (MSED)	0.28	0.28
Security Deposit -CDSL	0.10	-
	0.38	**0.28**
NOTE 6 : CASH AND CASH EQUIVALENTS		
Balances with scheduled banks		
- in current accounts	17.47	0.04
- in Fixed deposits having original maturity less than 12 months	-	-
Cash on hand	0.02	0.02
	17.49	**0.06**
NOTE 7: OTHER CURRENT ASSETS		
GST Receivable	0.16	0.04
Prepaid Expenses	-	-
TDS Receivable	0.72	-
	0.88	**0.04**

CHARTERED ACCOUNTANTS FRN

AAREY ORGANIC INDUSTRIES PVT. LTD.

AAREY ORGANIC INDUSTRIES PVT LTD
Notes to Financial Statements for the Quarter ended March 31, 2025

	As at 31-03-2025	As at 31.03.2024
NOTE 8: EQUITY SHARE CAPITAL		
Authorised Shares		
20,000 (PY 20,000) equity shares of ₹ 10 each	2.00	2.00
Issued, subscribed and fully paid-up		
20,000 (PY 20,000)equity shares of ₹ 10 each fully paid-up	2.00	2.00
	2.00	**2.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year / Period

Equity shares	As at 31.03.2025		As at 31.03.2024
	Nos	Amounts	Nos
At the beginning of the Year / Period	20,000	2,00,000	20,000
Issued during the year / Period	-	-	-
Outstanding at the end of the year / Period	20,000	2,00,000	20,000

(b) Shares held by holding Company
Out of equity shares issued by the Company, shares held by its Holding Company are as below:

Particulars	Nos
SEAMEC Limited	19,999.00

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31.03.2025		As at 31.03.2024
	Nos	% holding in the class	Nos
SEAMEC Limited	19,999	99.99%	19,999

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Shareholding of promoters

As at 31.03.2025

Name of Promoter	Class of Equity share	No. of share at the beginning of the year / period	Change during the year / Period	No. of shares at the end of the year / Period	% of Total Shares
SEAMEC Limited	Equity	19,999	-	19,999	99.99%
Vinay Kumar Agarwal	Equity	1	-	1	0.000005%





AAREY ORGANIC INDUSTRIES PVT LTD
Notes to Financial Statements for the Quarter ended March 31, 2025

	As at 31-03-2025	As at 31.03.2024
NOTE 9 : OTHER EQUITY		
Retained Earnings		
Opening Balance	152.69	176.66
Add: Profit/ (loss) for the year	-12.77	(24.15)
Add: Appreciation in Security Deposit	0	0.19
Less: Appropriations, if any	0	-
Closing Balance	**139.92**	**152.69**
Description of each item of Other Equity		
Retained Earning: reprensents accumulated profit till date		
NOTE-10 : BORROWINGS - CURRENT		
Interest free Demand Loan from Director & Relatives (Unsecured)	-	-
Demand loan from Body Coporate	56.58	51.77
	56.58	**51.77**
Note 10.1 Terms:		
Demand Loan carries rate of interest at 10%		
NOTE 11: TRADE PAYABLES		
(Undisputed)		
Trade payables to others	0.11	1.91
	0.11	**1.91**

Trade Payable ageing as at 31st March 2025

	Not due	Outstanding from due date of payment			
		< 1 year	1-2 years	2-3 years	>3 years
(i) MSME	-	-	-	-	-
(ii) Others	-	0.11	-	-	-
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-
Total	**-**	**0.11**	**-**	**-**	**-**

NOTE 12 : OTHER CURRENT LIABILITIES		
TDS payable	0.21	0.67
GST Payable	6.10	-
HAL OFFSHORE	21.34	
	27.65	**0.67**
NOTE 13: Current Tax Liability (net)		
Provision for Tax for current year (net)	-	9.10
Provision for Property Tax	-	0.03
Salary Payable	0.90	-
Provision for Audit Fee	0.68	-
Provision for Interest on delayed payment to MSME	0.03	
Profession Tax Payable	-	
	1.61	**9.13**





	As at 31-03-2025	As at 31.03.2024
NOTE 14 : REVENUE FROM OPERATIONS		
Revenue from Operations	15.18	-
	15.18	**-**
NOTE 15 : OTHER INCOME		
Interest on FD with Bank	-	0.31
Misc. Receipts	-	0.05
	-	**0.37**
NOTE 16 : FINANCE COSTS		
Interest on Unsecured Loan	5.35	4.98
	5.35	**4.98**
NOTE 17 : DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation of tangible assets	8.65	8.65
	8.65	**8.65**
NOTE 18 : OTHER EXPENSES		
Professional Fees - Auditor	2.26	0.95
Bank Charges	0.03	0.00
Fees & Taxes	0.75	0.79
Misc Expense	-	0.03
Sundry Balance Written off	-	0.02
Property Tax	8.57	9.10
Interest on late payment of TDS	0.25	-
Repairs & Maintenance	-	-
Profession Tax	0.05	-
ROC FEE	0.01	-
Interest on delayed Payment to MSME	0.03	
Stock Exchange Fees	0.18	-
	12.13	**10.90**
NOTE 19 : EMPLOYEE BENEFIT EXPENSES		
Salaries to Staff	1.82	-
	1.82	**-**

NOTE 20 : RELATED PARTY DISCLOSURE

Names of Related Party & related party relationship

Related parties where control exist

Holding Company — Seamec Limited

Key Managerial Personnel

Mr. Vineet Agrawal
Mr. Naveen Mohta

Related parties with whom transactions have been taken place

i) Holding Company	Seamec Limited
ii) Entity wherein promoter of Holding Company is having significant influence	HAL Offshore Limited RPL Capital Finance Limited Sanjeev Agrawal HUF

Name of Entity	Amounts	Reason	Balances as on 31.03-2025
Seamec Limited	-		-
HAL Offshore Limited	15,18,000.00	Income booked	-21,34,122.60
Sanjeev Agrawal HUF	-	Payment made	-
RPL Capital Finance Limited	-	Principal amount of loan	
	5,35,383.98	Interest amount of loan	56,58,350.78





Notes to Financial Statements for the year ended March 31, 2025

1 **Corporate Information**

AAREY ORGANIC INDUSTRIES PVT LTD (the Company) is a Private Limited Company incorporated in India under the provision of the Companies Act, 2013 having its registered office at Plot No.C-7/5, MIDC,TTC Industrial Area, Pawane, Navi Mumbai, Mumbai City, NAVI MUMBAI, Maharashtra, India, 400705.

The Company is main objective is to carry on the business as manufacturing, processing, buying, selling, importing, exporting, distributing and dealing in solvents, thinners, fine chemicals, and chemicals like sorbitol, mannitol, pentaerythritol, glycol and propyleneglycol derived from sugar and sugar based raw materials like sugarcane, molasses, khandsari, glucose and fructose, chemicals, compounds, chemical products, acids, alkalies, essences, pigments, heavy and inorganic heavy chemicals, dyes, dyestuffs, painta, varnishes, intermediates, polyvinyl chloride, calcium carbide, liquid chlorine, trichloroethylene, perchloroethylene, polystyrene and other thermoplastics and thermostating resins, insecticides, pesticides, and polyvinyl chloride based products, food products, metal cleaners, rust preventives, phosphating chemicals, petro-chemicals and its intermediates, photographic chemicals, paint strippers, textile chemicals, textile intermediaries, textile auxillaries, optical whitening agent, optical bleaching agent, styrine, butadiene, ehtylene, alcohol, petroleum fractions, stabilizers, plasticisers, emulsifiers, catalysts and other chemicals, compounds and by-products, derivatives and mixtures thereof.

The Board of Directors approved the financial statements for the period quarter ended March 31, 2025 and authorised for issue on

2 **Basis of preparation**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (referred to as Ind AS) as prescribed under section 133 of the Companies, Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. These financial statements for the year ended 31 March 2024 are the first time the Company has prepared in accordance with Ind-AS. Refer to Note No.3(u) for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Financial statements are presented in Indian Rupees (₹) which is also its functional currency and all values are rounded to the nearest lakh. except otherwise stated.

3 **Summary of Significant Accounting Policies**

(a) **Use of Judgements, Estimates and Assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods which are affected.

Estimates and Assumptions

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are described below:

Useful lives of property, plant and equipment including Impairment thereof

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. The company assess the impairment in the carrying value of tangible assets at each reporting date using best available information.

Recovery 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.

Provisions and contingent liabilities

Management applies its judgement in determining whether or not a provision should be recorded or a contingent liability should be disclosed.





(b) **Classification of Current and Non-Current**

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:

All other assets are classified as non current.

A liability is current when:
i) It is expected to be settled in normal operating cycle,
ii) It is held primarily for the purpose of trading,
iii) It is due to be settled within twelve months after the reporting year, or
iv) There is no unconditional right to deter the settlement of the liability for at least twelve months after the reporting year

The Company classifies all other liabilities as non – current.

Deferred tax assets and liabilities are classified as non – current assets and liabilities, as applicable.

(c) **Property, plant and equipment.**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation /amortization and impairment losses, if any. The cost comprises of the acquisition / installation price (net of GST credit wherever applicable) and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.
Subsequent expenditures related to an item of property, plant and equipment are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
When a major inspection/ overhaul is performed, its cost is recognized in the carrying amount of the related property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

The Company identifies and determines separate useful life for each major component of property, plant and equipment, if they have useful life that is materially different from that of the remaining asset.

Items such as spares is recognised in accordance with Ind AS 16 "Property, Plant and Equipment" when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventories.
Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".
Advances given towards acquisition of property, plant and Equipments outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Non Current Assets".
Losses arising from the retirement of, and gains and losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognised in the statement of profit and loss when the property, plant and equipment is derecognised.
The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) **Depreciation on Property, plant and equipment**

Depreciation on property, plant and equipment is provided using the Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The useful life for these property, plant and equipment are as prescribed under Part C of schedule II of the Companies Act 2013. The Management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Machinery spares which are capitalised, are depreciated over the balance useful life of the respective property, plant or equipment or the balance useful life of mother vessel, whichever is lower.

Residual Value:

The useful life and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The life are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.





(e) **Assets classified as held for sale**

An item of Property, plant and equipment is classified as asset held for sale at the time when the Management is committed to sell / dispose off the asset and the asset is expected to be sold / disposed off within one year from the date of classification. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised.

(f) **Impairment of Non Financial Assets.**

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

(g) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less. Fixed deposit having residual maturity up to twelve months from the reporting period is considered as part of bank balances other than cash and cash equivalent. Fixed deposit with residual maturity more than twelve months from reporting period is classified under other non-current assets.

(h) **Retirement and other employee benefits**

Retirement benefits in the form of Provident Fund are a defined contribution scheme. The Company's contributions paid / payable towards these defined contribution plan is recognized as expense in the Statement of Profit and Loss during the year in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Short term compensated absences are provided for based on estimates. The Company presents these as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.





(i) **Foreign Currency transactions**

The Company's financial statements are presented in INR, which is also the Company's Functional Currency.

i) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency by applying, to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the fortnightly average rates.

ii) **Conversion**

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii) **Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference. (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

(j) **Taxes on Income**

Tax expense comprises of Current Tax, Deferred Tax and tax adjustments of earlier years. Income is taxed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes at the reporting date.

Deferred tax are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(k) **Revenue Recognition.**

i) Revenue from Contract with Customers

Revenue is recognised in the Statement of Profit and Loss when:
- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation

Revenue is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the services. Revenue is recognised when or as performance obligations are satisfied by transferring the promised services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably.





Cost of services rendered includes Equipemnt hire expenses, Oil, stores, spares, repair and maintenance expenses, Insurance expenses etc.

Employee Benefit Expenses - Which comprise of fixed staff & floating staff expenses. Financial expenses - Financial expenses comprise interest expenses. Other expenses – Other expenses which comprise office expenses, provisions, managements cost and other expenses relating to administration.

The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

ii) Interest & Dividend Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss. Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date.

(l) **Leases.**

The Company as a Lessee

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

1. The contract involves the use of an identified asset
2. The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
3. The Company has the right to direct the use of asset.

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

Certain Lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The of right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-to-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the assets belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the respective Note and lease payments have been classified as financing cash flows.

The Company as a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.





(m) **Provisions**

A provision is recognized when the Company has a present obligation (Legal or Constructive) as a result of past events, if 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. These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

(n) **Segment Reporting**

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified based on geographical location of the project site.

(o) **Earnings per Share**

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

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of diluted potential equity shares, if any.

(p) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use, are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they occur. Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(r) **Financial Instruments**

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

Financial Assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

(i) Debt instruments at amortised cost

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI).

(iii) Debt instruments at fair value through profit or loss (FVTPL).

(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI).





Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'Accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

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

Derecognition

A financial asset is primarily derecognised when:

The rights to receive cash flows from the asset have expired, or

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

(a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company'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:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

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 year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company 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 company is required to consider:

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

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, these historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:
Financial assets measured as at amortised cost: 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 loans and borrowings, or payables, 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.

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. Gains or losses on liabilities held for trading are recognised in the profit or 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.

Reclassification of financial assets
The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s) **Unbilled Revenue and Billing in excess of revenue**
Unbilled revenue represents the aggregate of costs chargeable and margin earned under projects in progress as of the balance sheet date. Such amounts become billable according to the contract terms which usually consider the passage of time, achievement of certain milestones or completion of the project.

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(t) **Fair Value Measurement**

The Company measures financial instruments at fair value each balance sheet date.

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.

All assets and liabilities for which fair value is measured or disclosed in the 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.

The Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Management comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

For assets and liabilities that are recognised in the 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.



