



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
GULSHAN OVERSEAS - FZCO

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of GULSHAN OVERSEAS - FZCO ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2023, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

*"We have determined that there are no key audit matters to communicate in our report."*



## **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 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 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.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows 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. 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 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 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 financial statements, management and Board of Directors are 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.

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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



- Identify and assess the risks of material misstatement of the standalone 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 with reference to standalone financial statements 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 standalone 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 auditors' 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 financial statements, including the disclosures, and whether the standalone 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.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

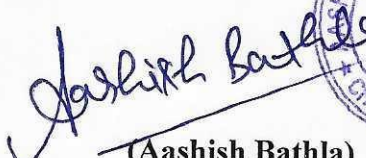
1. Since the company does not qualify the condition as are referred in Companies (Auditor's Report) Order, 2016 issued by the Central government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"). So Our report does not contain any comment thereon.




2. As required by section 143 (3) of the Act, we report that:
- 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;
  - 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;
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with rule 7 of the companies(account) rules, 2014.
  - On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - 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:
    - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
    - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. 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 Company has not paid / provided any remuneration to its directors during the year;

Date : 12-05-2023  
Place : Delhi  
UDIN: 23446095BGWVBW5815

For and on behalf of  
**For Aashish Bathla & Co.**  
Chartered Accountants  
(Firm Registration no. 028343C)

  
(Aashish Bathla)  
Proprietor  
Membership No.446095



## ANNEXURE – “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section 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 with reference to standalone financial statements of **GULSHAN OVERSEAS - FZCO** (“the Company”) as of 31 March 2023 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 with reference to financial statements 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

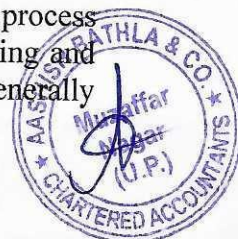
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 with reference to financial statements.

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations 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.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Date : 12-05-2023

Place : Delhi

UDIN: 23446095BGWVBW5815

For and on behalf of  
**For Aashish Bathla & Co.**  
Chartered Accountants  
(Firm Registration no. 0283430)



(Aashish Bathla)  
Proprietor  
Membership No.446095



**GULSHAN OVERSEAS-FZCO**  
BALANCE SHEET AS AT 31ST MARCH 2023

Particulars		(Rs.in Lakhs)	
		Note No.	As at 31st March, 2023
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Current Assets</b>		
	<b>Financial Assets</b>		
	(i) Cash and Cash equivalents		
	<b>Total Current Assets</b>	2	6.00
	<b>Total Assets</b>		<b>6.00</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share Capital	3	22.74
	(b) Other Equity	4	(18.83)
	<b>Total Equity</b>		<b>3.92</b>
<b>2</b>	<b>Current Liabilities</b>		
	<b>Financial Liability</b>		
	(i) Trade payables		
	(a) Outstanding dues of micro, small enterprises	5	-
	(b) Outstanding dues of creditors other than above		-
	<b>Total Current Liabilities</b>		<b>2.08</b>
	<b>Total Equity and Liabilities (1+2)</b>		<b>2.08</b>
	<b>Significant Accounting policies</b>	1	<b>6.00</b>

As per our report of even date  
For AASHISH BATHLA & CO.  
Chartered Accountants  
(Registration No. 0283430)

*Aashish Bathla*  
(AASHISH BATHLA)  
Proprietor  
Membership no: 446095



For and on behalf of the Board of Directors

*S. Kochhar*  
(Sunjit Kochhar)  
Director

Date: 12-05-2023  
Place : Delhi  
UDIN: 23446095BGWVBW5815

**GULSHAN OVERSEAS-FZCO**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023**

Particulars	Note No.	For the year ended 31st March, 2023
<b>REVENUE</b>		
Revenue from Operations		-
Other Income		-
<b>Total Income (I)</b>		-
<b>EXPENSES</b>		
Other Expenses		
<b>Total Expenses (II)</b>	6	18.00
<b>Profit Before Tax (III) (I-II)</b>		18.00
Tax Expense:		(18.00)
Current Tax Expense		-
Deferred Tax Expense		-
<b>Total Tax Expenses (IV)</b>		-
<b>Profit/(Loss) for the year (V) (III-IV)</b>		-
<b>Other Comprehensive Income</b>		(18.00)
<b>Item that will be reclassified to Profit and Loss:</b>		
(Gain)/Loss on translation of foreign operation		0.83
<b>Total Other Comprehensive (Income)/Loss (VI)</b>		0.83
<b>Total Comprehensive Income for the year (VII) (V - VI)</b>		(18.82)
Earning per equity share of face value of AED 10 each Basic and diluted (in Rs.)		
Basic		(179.96)
Diluted		(179.96)
<b>Significant Accounting policies</b>	1	

As per our report of even date  
For AASHISH BATHLA & CO.  
Chartered Accountants  
(Registration No. 026343C)

For and on behalf of the Board of Directors

*Aashish Bathla*  
  
(AASHISH BATHLA)  
Proprietor  
Membership no: 446095

*S. Kochar*  
(Sumit Kochar)  
Director

Date: 12-05-2023  
Place : Delhi  
UDIN: 23446095BGWVBW5815



**GULSHAN OVERSEAS-FZCO**  
Standalone Statement of Cash Flow for the Year ended 31st March, 2023

	Particulars	(Rs.in Lakhs)
		Year ended 31/03/2023
<b>A.</b>	<b>Cash flow from operating activities</b>	
	Profit before Tax	
	Cash generated from operations before working capital changes	(18.00)
	Adjustment for :	(18.00)
	(Decrease)/increase in other current liabilities	
	(Decrease)/increase in trade and other payables	(0.83)
	<b>Cash generated from operating activities</b>	2.08
	Direct taxes paid (net of refunds)	1.25
	<b>Cash flows before exceptional items</b>	-
	<b>Net Cash flow generated from operating activities (A)</b>	<b>(16.74)</b>
<b>B.</b>	<b>Cash Flow from Investing activities</b>	
	<b>Net Cash Flow Generated from investing activities (B)</b>	<b>(16.74)</b>
<b>C.</b>	<b>Cash flow from Financing activities</b>	
	Proceeds from issue of Equity share capital (net of transaction costs)	
	<b>Net Cash flow Generated from financing activities (C)</b>	22.74
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>22.74</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>6.00</b>
	<b>Cash and cash equivalents at year end</b>	<b>6.00</b>

**Note:**

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

The Accompanying notes form an integral part of the financial statements

As per our report of even date  
For AASHISH BATHLA & CO.  
Chartered Accountants  
(Registration No. 0263432)

For and on behalf of the Board of Directors

*Aashish Bathla*  
(AASHISH BATHLA)  
Proprietor  
Membership no: 446095



*S. Kocher*  
(Sumit Kochar)  
Director

Date: 12-05-2023  
Place : Delhi  
UDIN: 23446095BGWVBW5815

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023**

**A. Equity Share Capital**

(Rs.in Lakhs)

Addition during the year	22.74
Closing balance as at March 31, 2023	22.74

**B. Other Equity attributable to the Equity Holders of the Company**

(Rs.in Lakhs)

Particulars	RESERVES AND SURPLUS	Other comprehensive Income	Total
	Retained Earning	(Gain)/Loss on translation of foreign operation	Total
Balance as at 1st April 2022	-	-	-
Profit for the year	-	-	-
Other comprehensive income for the year, net of income tax	(18.00)	(0.83)	(18.83)
As at 31st March, 2023	-	-	-
Significant Accounting policies	(18.00)	(0.83)	(18.83)

As per our report of even date  
For AASHISH BATHLA & CO.  
Chartered Accountants  
(Registration No. 028343C)

For and on behalf of the Board of Directors

*Aashish Bathla*  
(AASHISH BATHLA)  
Proprietor  
Membership no: 446095



*S. Kochar*  
(Sumit Kochar)  
Director

## NOTES TO FINANCIAL STATEMENTS

### 1. DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

##### (i) Corporate Information

Gulshan Overseas – FZCO has been duly formed as a Free Zone Company with limited liability pursuant to Law No. 16 of 2005 by H.H. Ruler of Dubai and Implementing Regulations issued there under by the Dubai Silicon Oasis Authority and was registered in Free Zone Company on 8<sup>th</sup> September, 2021. Registration Number of the Company is DSO-FZCO-8775.

The registered office of the Company is situated in the IFZA Dubai area within Dubai Silicon Oasis ("IFZA Dubai")

The objects for which the FZCO is established are:

- a. To carry on all such business within the area of in the IFZA Dubai in the Free Zone as the Dubai Silicon Oasis Authority (the "Authority") may permit under the terms of the License issued in respect of the FZCO.
- b. To carry on any other trade or business which can, in the opinion of the board of Directors, and subject to the Authority's approval, be advantageously carried on by the FZCO in connection with or as ancillary to any of the above business or the general business of the FZCO.

##### (ii) Statement of compliance

As the company is incorporated and domiciled outside India, company is required to prepare Financial Statements according to prevailing laws of country of Incorporation. However, Company's Financial Statements are being prepared as per Ind AS, as required for the purpose of Consolidation of Financial Statements with its Holding Company in India.

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

##### (iii) Basis of Measurement

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values or amortised cost depending upon classification. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The Company's functional currency is AED but for the purpose of Consolidation, these financial statements have been presented and converted in INR and all the values are rounded at the nearest lakhs(AED/INR 00,000) except otherwise indicated.

#### 1.2 Use of estimates and judgements

The preparation of the Financial Statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Financial Statements have been disclosed in Note No.1.5. Accounting estimates could change from period to period. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### 1.3 Current versus non-current classification

The Company presents assets and liabilities in the Standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is

- Expected to be realised or intended to be sold or consumed in normal operating cycle



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

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ 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.

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

#### 1.4 Foreign currencies

These Standalone Financial Statements are presented in INR, which is also the functional currency of the Company. All financial information presented in INR has been rounded to the nearest lakhs.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in standalone profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. 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 profit or loss are also recognised in OCI or profit or loss, respectively).

#### 1.5 Critical estimates and judgments

The preparation of Standalone Financial Statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

- Provisions and Accruals
- Contingencies



## 1.6 Fair value measurement

The Company measures financial instruments at fair value as per Ind AS 113 at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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 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 prices (unadjusted) in active markets for identical assets or liabilities.

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

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

For assets and liabilities that are recognized in the Standalone Financial Statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 1.7 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.



## 1.8 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Disputes, liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax Excise etc.) pending in appeal / court for which no reliable estimated can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

### Contingent Assets

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## 1.9 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 recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

#### Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets that measured at fair value, gains and losses are either recognized entirely in the standalone statement of profit and loss or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost:

- Business Model Test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:

- Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit and loss.

All equity investments are measured at fair value in the standalone balance sheet, with value changes recognized in the standalone statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.



### **Derecognition of financial assets**

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

### **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 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 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### **Financial Liabilities:**

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

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is derivative or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in standalone statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in standalone statement of profit and loss.

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

### **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 standalone statement of profit and loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone financial statements 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.

## **1.10 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash



management.

**1.11 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts which are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.





**2. CASH AND CASH EQUIVALENTS**

Particulars	(Rs.in Lakhs)	
	As at 31st March, 2023	
Balance with Banks -In Current accounts		6.00
<b>Total</b>		<b>6.00</b>

**3. EQUITY SHARE CAPITAL**

Particulars	(Rs.in Lakhs)	
	As at 31st March, 2023	
<b>Authorised Equity Share Capital:</b> 10000 Equity shares of AED.10 each (1 AED = INR 22.74)		22.74
<b>Total</b>		<b>22.74</b>
<b>Issued, Subscribed and Paid up:</b> 10000 Equity shares of AED.10 each (1 AED = INR 22.74)		22.74
<b>Total</b>		<b>22.74</b>

**(a) Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the reporting period**

Particulars	(Rs.in Lakhs)	
	As at 31st March, 2023	
	No. of shares	Amount
Equity Shares		
Shares outstanding at the beginning of the year	-	-
Add: Shares subscribed during the year	10,000.00	22.74
<b>Closing balance</b>	<b>10,000.00</b>	<b>22.74</b>

**(b) Details of shares held by Equity Shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	(Rs.in Lakhs)	
	As at 31st March, 2023	
	No. of shares held	% of holding
(i) Gulshan Polyols Limited	10,000.00	100.00%

**(c) Shareholding of Promoters**

Promoter Name	As at March 31, 2023	
	No. of Shares	% of total shares
(i) Gulshan Polyols Limited	10,000.00	100.00%

**4. OTHER EQUITY**

Particulars	(Rs.in Lakhs)		
	RESERVES AND SURPLUS	Other comprehensive Income	Total
	Retained Earning	(Gain)/Loss on translation of foreign operation	Total
Balance as at 1st April 2022			
Profit for the year	-	-	-
Other comprehensive income for the year, net of income tax	(18.00)	(0.83)	(18.83)
As at 31st March, 2023	<b>(18.00)</b>	<b>(0.83)</b>	<b>(18.83)</b>

**Retained Earning** : Retained earning represents the profit that the company has earned till date, less any transfer to general reserve if any.  
**Items of Other Comprehensive Income (OCI)** - Items of OCI represents the the gain/loss on translation of foreign operation.



**5. TRADE PAYABLES**

Particulars	As at 31st March, 2023	(Rs. in Lakhs)
Trade Payables consist of the following:		
- Micro and small enterprises	-	
- Others	-	
<b>Total</b>	<b>2.08</b>	<b>2.08</b>

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 year	
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Disputed Dues -MSME	2.08	-	-	-	-	2.08
Disputed Dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>2.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.08</b>

**6. OTHER EXPENSES**

Particulars	(Rs. in Lakhs)
Legal and Professional Expenses	For the year ended 31st March, 2023 18.00
<b>Total</b>	<b>18.00</b>



7. Earning Per Share

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March 2023	
1 Net Profit After Tax		(18.00)
2 Weighted Average of number of Equity Share outstanding during the year		10,000
3 Basic Earning Per Share of Re. 1/- each		(179.96)
4 Diluted Earning Per Share of Re.1/- each		(179.96)

8. Financial Instruments

Financial Instruments by category as at March 31, 2023

Particulars	(Rs. in Lakhs)			
	Carrying Value	Fair Value through Profit and Loss	Fair Value through Other Comprehensive Income	Amortised Cost
<b>Financial assets</b>				
Cash and cash equivalents	6.00	-	-	6.00
<b>Total financial assets</b>	<b>6.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.00</b>
<b>Financial liabilities</b>				
Trade payables	2.08	-	-	2.08
<b>Total financial liabilities</b>	<b>2.08</b>	<b>-</b>	<b>-</b>	<b>2.08</b>

9. Financial risk management

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

i. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements. The Company mitigates liquidity risk by way of formulation of cash budget and comparison of actual cash flows with budget on a continuous basis.

Maturity profile

Particulars	(Rs. in Lakhs)			
	31-Mar-23	< 1 year	2 to 5 Years	5 years <
<b>Non-derivative financial liabilities</b>				
Trade Payables	2.08	2.08	-	-
<b>Total non-derivative liabilities</b>	<b>2.08</b>	<b>2.08</b>	<b>0.00</b>	<b>0.00</b>

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, debt and equity investments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Group has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the approved foreign currency risk management policy. The carrying amounts of the Group's foreign exchange monetary items as at the end of reporting period are as follows:

Particulars	Currency	31-03-2023	
		Foreign Currency (In Lakhs)	INR (In Lakhs)
Transaction currency			
--> Financial Liability			
Trade Payables			
<b>Net statement of financial position Exposure</b>	<b>INR</b>	<b>2.08</b>	<b>2.08</b>

Note: Foreign currency assets and liabilities are natural hedged as at the year end.

Sensitivity analysis

The Company's currency exposures in respect of foreign currency monetary items at each period end presented that result in net currency gains and losses in the income statement and equity arise principally from movement in AED exchange rates. At each period end, if AED had weakened by 10% against the INR, with all other variables held constant, the changes in profit or loss will be as summarized in the following table. 10% is the sensitivity rate used when reporting to 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 has been carried out without considering the hedged items. A positive number below indicates an increase in profit or equity and vice-versa.

31st March 2023	(Rs. in Lakhs)	
	Profit/ (loss)	
	10% Increase	10% Decrease
INR	(0.21)	0.21



**10. Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits to other stakeholders and
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables, less cash and short-term deposits.

Particulars	(Rs. In Lakhs)
Trade payables (Note 5)	31-Mar-23 2.08
<b>Net debt</b>	<b>2.08</b>
Reserve & Surplus (Note 4)	(18.83)
Equity (Note 3)	22.74
<b>Total Capital</b>	<b>3.92</b>
Capital and net debt	6.00
<b>Gearing ratio</b>	<b>34.65%</b>

**11. Related Party Transactions**

The disclosure in pursuance to Indian Accounting Standard-24 on "Related Party disclosures" is as under:

(a) Name of related party and nature of related party relationship where control exist:

(i) Holding Company GULSHAN POLYOLS LIMITED

(b) Name of related party and nature of related party relationship other than those referred to in (a) above having transaction with the Group:

(i) Joint Venture Nil  
(ii) Key Management Personnel : Sumit Kochhar

(c) Transactions with related parties

Particulars	(Rs. in Lakhs)
<b>Legal and Professional</b>	<b>2022-23</b>
Sumit Kochhar	18.00

(d) Balances with related parties

Particulars	(Rs. in Lakhs)
<b>Trade Payable</b>	<b>2022-23</b>
Sumit Kochhar	2.08
<b>Total</b>	<b>2.08</b>

As per our report of even date attached

As per our report of even date  
For AASHISH BATHLA & CO.  
Chartered Accountants  
(Registration No. 028343C)

*Aashish Bathla*  
(AASHISH BATHLA)  
Proprietor  
Membership no: 446099



For and on behalf of the Board of Directors

*S Kochhar*  
(Sumit Kochhar)  
Director

Date: 12-05-2023  
Place : Delhi  
UDIN: 23446095BGWVBW5815