

GHOSH KHANNA & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
SWAGTAM TRADING & SERVICES LIMITED
CIN: L51909DL1984PLC289131

Report on the IND AS financial statements

We have audited the accompanying IND-AS financial statements of **SWAGTAM TRADING & SERVICES LIMITED, [CIN: L51909DL1984PLC289131]** ("the Company"), which comprise of the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies, notes and other explanatory information.

Management's Responsibility for the IND-AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone IND-AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IND-AS financial statements are free from material misstatement.



Branch:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the IND-AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND-AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation of the IND-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the IND-AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the IND-AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the company as at 31.03.2020;
- b) in the case of the Statement of Profit and Loss Account, of the Profit of the company for the year ended on that date.
- c) in the case of the Cash Flow Statements, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub – section (11) of Section 143 of the Act, a statement on the matters specified in paragraphs 3 and 4 of the Order:

We Report that :-

- i) In respect of Company's Fixed Assets.
 - a) The company is maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) Fixed assets were physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification and properly dealt with in the Books of Account.
 - c) All the Assets were purchased by the company in its own name and there is no immovable property held by the company.
- ii) The company is primarily engaged in the business of real estate, commission, consultancy, service providers, agents, brokers, etc., and does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company. In case of shares, verification was carried on at reasonable intervals and no discrepancies were noticed.
- iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under section 189.



- iv) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, made investments, provide guarantees or securities under section 185 & 186 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted Fixed Deposits and nothing is outstanding and there is no contravention, therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) The provision of clause (3) (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Auditors) Rules, 2014.
- vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of income tax, goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they become payable.
- viii) In our opinion and according to the information and explanations given to us, the Company has not accepted nor defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders and nothing is outstanding.
- ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money through IPO / FPO (including debt instruments) and term loans during the year and nothing is outstanding.
- x) In our opinion and according to the information and explanations given to us, no fraud by Company or any fraud on the company by its Officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, Managerial Remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii) Company is not Nidhi company, then the provisions of clause (3) (xii) of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all related parties transactions, if any, wherever applicable, have been disclosed in IND-AS financial statements.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made preferential issue / private placement of shares or debentures during reporting period.



- xv) According to the information and explanations given to us, the Company has not entered into any non – cash transactions with directors or persons connected with him, during the reporting period.
- xvi) The company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

2. As required by section 143(3) of the Act, we Report that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid IND-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014;
- e) On the basis of written representations received from the Directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31.03.2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to separate report in Annexure 'I'
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors), Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- Company does not have any major pending litigation which would impact its financial position;
 - Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

For GHOSH KHANNA AND CO.

Chartered Accountants

Firm Registration No. 003366N

Place: New Delhi
Date : 26.06.2020



Deepti Manchanda

Deepti Manchanda

Partner

Membership No. 517699

UDIN: 20517699AAAAHF1190

ANNEXURE-I

**TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE IND-AS FINANCIAL STATEMENTS OF**

**SWAGTAM TRADING AND SERVICES LIMITED
[CIN: L51909DL1984PLC289131]**

(as referred in Paragraph 2 of Other Legal and Regulatory Matters in Independent Auditor's Report)

**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 **SWAGTAM TRADING AND SERVICES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone IND-AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the IND-AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND-AS 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 IND-AS 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 IND-AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

For GHOSH KHANNA AND CO.
Chartered Accountants
Firm Registration No. 003366N

Place: New Delhi
Date : 26.06.2020



Deepti Manchanda

Deepti Manchanda
Partner
Membership No. 517699

SWAGTAM TRADING & SERVICES LIMITED
CIN: L51909DL1984PLC289131
Balance Sheet as at 31.03.2020

Particulars	Notes	31 March 2020	31 March 2019
		INR	INR
ASSETS			
Non-current assets			
Property, plant and equipment	3	24,248	30,285
Financial assets	4		
(i) Investment	4 (i)	143,616	143,616
(ii) Other financial assets	4 (iii)	500,000	500,000
Deferred tax assets (net)	5	8,722	7,362
Other non-current assets	6	40,682,118	36,182,118
Total non-current assets		41,358,704	36,863,381
Current assets			
Financial assets	4		
(i) Cash and cash equivalents	4 (ii)	144,781	5,688,843
(ii) Other financial assets	4 (iii)	-	-
Current tax assets	7	116,412	70,045
Other current assets	8	724,740	78,837
Total current assets		985,933	5,837,725
TOTAL ASSETS		42,344,638	42,701,106
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	11,905,000	11,905,000
Other equity			
Reserves and Surplus	10	30,292,597	30,288,156
Total equity		42,197,597	42,193,156
LIABILITIES			
Current liabilities			
Other current liabilities	11	97,040	457,950
Short Term Provisions	12	50,000	50,000
Total current liabilities		147,040	507,950
TOTAL EQUITY AND LIABILITIES		42,344,637	42,701,106

The accompanying Notes form an integral part of the financial statements

As per our Report of even date attached

For and on behalf of

Ghosh Khanna & Co.

Chartered Accountants

Firm's Registration No.: 003366N

Deepti Manchanda
Deepti Manchanda
Partner

Membership No. 517699

UDIN: 20517699AAAAHF1190

Place : New Delhi

Date : 26.06.2020

For GHOSH KHANNA & CO.

Deepti Manchanda
DEEPTI MANCHANDA, FCA, PARTNER
M. No. 517699
L-2A, HAUZ KHAS ENCLAVE
NEW DELHI-110 016

For and on behalf of the Board of Directors

Swagtam Trading & Services Limited

Lalita Mittal

Lalita Mittal

W.T.D & CFO

DIN: 06928783

Sumit Gupta

Sumit Gupta

Director

DIN: 06911742

Preetika Mishra

PREETIKA MISHRA (ACS-32490)

Company Secretary cum Compliance Officer



SWAGTAM TRADING & SERVICES LIMITED

CIN: L51909DL1984PLC289131

Statement of Profit and Loss for the year ended 31.03.2020

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	13	900,000	1,051,300
Other Receipts / Income	13 (a)	373,664	1,502,203
Total income		1,273,664	2,553,503
Expenses			
Purchase of Jewelleries		-	-
Administrative & other expenses	14	587,267	1,566,067
Employee benefit expense	15	668,114	648,825
Finance costs	16	389	309
Depreciation and amortization expense	17	21,037	42,193
Deferred Revenue Expenditure w/off		-	153,610
Total expenses		1,276,807	2,411,004
Profit/(loss) before exceptional items and tax		(3,143)	142,499
Exceptional items			
Profit/(loss) before tax		(3,143)	142,499
Income Tax expense:			
Current Tax		1,200	52,050
Deferred Tax	18	(1,360)	(5,299)
Total tax expense		(160)	46,751
Profit/(loss) for the period		(2,983)	95,748
Prior Period Expenses		7,500	-
Profit/(loss) for the period		(10,483)	95,748
Other comprehensive income			
<i>Items that may be reclassified to Profit or Loss</i>			
Changes in fair value of FVOCI debt instruments		-	-
<i>Items that will be not be reclassified to Profit or Loss</i>			
Remeasurement of post - employment benefit obligations		-	-
Income tax relating to these items		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(10,483)	95,748
Earnings per equity share for profit from operations			
Basic earnings per share	21	(0.01)	0.08
Diluted earnings per share	21	(0.01)	0.08

The accompanying Notes form an integral part of the financial statements
As per our Report of even date attached

For and on behalf of
Ghosh Khanna & Co.
Chartered Accountants
Firm's Registration No.: 003366N

Deepti Manchanda
Deepti Manchanda
Partner
Membership No. 517699

Place : New Delhi
Date : 26.06.2020



For and on behalf of the Board of Directors
Swagtam Trading & Services Limited

Lalita Mittal
Lalita Mittal
W.T.D & CFO
DIN: 06928783

Sumit Gupta
Sumit Gupta
Director
DIN: 06911742

Preetika Mishra
PREETIKA MISHRA (ACS-32490)
Company Secretary cum Compliance Officer



Statement of Cash Flows	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit after income tax from		
Continuing operations	(10,483)	95,748
Discontinued operations		
Profit before income tax including discontinued operations	(10,483)	95,748
Adjustment for		
Depreciation and amortisation expenses	21,037	42,193
Interest Income	(373,664)	-
Gain on disposal of property, plant and equipment	-	-
Unrealized gain on fair valuation of current investments	-	-
Gain on sale of investments	-	-
Changes in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:	(352,627)	42,193
(Increase)/Decrease in current Tax assets	(31,442)	(15,670)
(Increase)/Decrease in other current assets	(645,903)	49,001
(Increase)/Decrease in other non-current assets	(4,501,360)	5,109,951
(Increase) in other financial assets	-	-
Increase/(Decrease) in provisions	-	11,700
Increase in other current liabilities	(360,910)	(42,050)
Cash generated from operations	(5,539,615)	5,014,930
Net cash Inflow from Operating activities	(5,902,725)	5,152,871
Cash flow from investing activities		
Payment for property, plant and equipment	(15,000)	-
Interest received	373,664	-
Net cash outflow from investing activities	358,664	-
Cash flow from financing activities		
Dividends paid with company's shareholders	-	-
Net cash inflow (outflow) from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(5,544,062)	5,152,872
Cash and cash equivalents at the beginning of the financial year	5,688,843	535,971
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at the end of the financial year	144,781	5,688,843
Cash and cash equivalents [note 5(iii)]	144,781	5,688,843
Balance as per statement of cash flows	144,781	5,688,843

The accompanying Notes form an integral part of the financial statements
As per our Report of even date attached

For and on behalf of
Ghosh Khanna & Co.
Chartered Accountants
Firm's Registration No.: 003366N

Deepthi Manchanda
Deepthi Manchanda
Partner
Membership No. 517699



Place : New Delhi
Date : 26.06.2020

For and on behalf of the Board of Directors
Swagtam Trading & Services Limited

Lalita Mittal
Lalita Mittal
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DIN: 06928783

Sumit Gupta
Sumit Gupta
Director
DIN: 06911742

Preetika Mishra
PREETIKA MISHRA (ACS-32490)
Company Secretary cum Compliance Officer



SWAGTAM TRADING & SERVICES LIMITED
NOTES to Financial Statements for the Financial Year ended March 31, 2020

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.4.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Non Current Investment that are measured at fair value;

(b) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used, but not limited to accounting for costs expected to be incurred to complete performance under IT service arrangements, allowance for uncollectible accounts receivables and unbilled revenue, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, equipment and intangible assets, impairment of property, equipment, intangibles and goodwill, valuation allowances for deferred tax assets, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

(C) Revenue recognition

Revenue is recognized on accrual basis. Dividend income is accounted for on receipt basis. Sale/purchase of securities is recognized on the basis of actual deliveries of securities. Profit/loss on sale of investments is arrived at considering average cost of investments. Interest income is recognized using the effective interest method.



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Lalita Mittal

Poojika Mishra

(d) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries (including branches) operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current tax, deferred tax & MAT credit are recognized in statement of profit or loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

(e) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such as sets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, which ever is lower. Lease payments under operating leases are recognized as an expenses on a straight-line basis in net profit in the Statement of Profit and Loss over the lease term.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or a group of assets (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



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Preetika Mishra

Salita Mittal

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

(h) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(i) Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

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

For assets measured at fair value, gain & losses will either be recorded in profit or loss or other comprehensive income.

(j) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets. The estimates of useful lives of the assets are as follows:

Asset	Useful life
Computers and peripherals	3 years
Office Equipment	5 years
Furniture	10 years

The useful lives have been determined based on Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).



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Puneetika Mishra

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Lobita Mittal