



s. agarwal & co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED** ('the company'), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including the statement of other comprehensive income, the Cash flow statement and the Statement of change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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 31st March, 2022 and its profit /(loss) (including Other Comprehensive Income), its 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 Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS 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 the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the matter was addressed in the audit
<p><u>Useful lives of Property, Plant & Equipment</u></p> <p>(Refer to Notes 3 and 4 to the financial statements)</p> <p>The property, plant and equipment are depreciated on a pro-rate basis on written down value basis, over the useful life of the assets, as estimated by the management. These estimations are based on changes in the expected level of usage, technological developments, level of wear and tear, which involve high degree of the estimation and judgement and could affect the reported residual value and depreciation of the assets. As the value of property, plant and equipment & Investment in Property is substantial i.e. Rs. 57,09,70,035/-, which is 98.07% of the total assets of the Company, therefore any change in these estimates or actual results could have an impact on the profit/ assets in future years and completeness and accuracy of the financial statements.</p>	<p><u>Our Audit Procedure :</u></p> <p>We obtained, understood and evaluated the management's estimations and specifically performed work as under:</p> <ul style="list-style-type: none"> - Comparing the key assumptions, use within the impairments models to the historic performance of the respective group of assets and approved estimates. - Benchmarking the key assumptions, use within the impairment models, including industry comparison and past history of the replacement age etc. and repairs requirements / cost etc. <p><u>Our Results:</u></p> <p>As a result of performance of above procedures we have not identified any circumstances that would led to material adjustments to the carrying value of these assets, or change in their useful lives.</p>

Responsibilities of Management and Those Charged with Governance for the Standalone 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance 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") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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

In preparing the Ind AS financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit



procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Statement of Profit and Loss including other comprehensive income, the Cash Flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
- e. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The provisions of section 143(3)(i) about reporting on the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable on the Company.
- g. As the company is a private limited company, the provision of section 197 read with Schedule V to the Act, regarding managerial remuneration are not applicable to the Company; and
- 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N


S.N. Agarwal
(Partner)
M. No. : 012103

Place: New Delhi

Date: 04.05.2022

UDIN: 22012103AINIQK9179



"Annexure A" to the Independent Auditors' Report
(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2022)

Annexure - A to the Auditors' Report

The Annexure A referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report that:

- 1) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company is maintaining proper records showing full particulars of intangible assets;

(b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

(d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate; no discrepancies of 10% or more in the aggregate for each class of inventory were noticed

(b) The company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- 3) The company has not made any investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or any other parties during the year.



- 4) The company has not advanced any loans, investments, guarantees, and security, therefore provisions of sections 185 and 186 of the Companies Act are not applicable
- 5) As per the provisions of Section 73 and 76 the company does not have nor has accepted any deposit during the year.
- 6) The maintenance of cost records as specified by the Central Government under subsection(1) of section 148 of the Companies Act is not applicable on the Company.
- 7) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, value added tax, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) There are no Statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute.
- 8) There are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (9) (a) The company has no borrowed funds during the year therefore the clause relating to default in repayment of loans or other borrowings or in the payment of interest thereon to any lender, is not applicable on it.
- (b) The company has not been declared wilful defaulter by any bank or financial institution or other lender;
- (c) The company has no borrowed funds during the year therefore the clause relating to diversion of borrowed funds is not applicable on it.
- (d) The company has no borrowed funds during the year therefore the clause relating to Term of use of borrowed funds is not applicable on it
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) therefore clause relating to diversion of said funds is not applicable.



- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- 11) (a) No fraud by the company or fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) No whistle-blower complaints, have been, received during the year by the company;
- 12) The Company is not a Nidhi Company defined under section 406 of Companies Act 2013
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial Statements as required by the applicable accounting standards.
- 14) The provisions of section 138 of Companies Act 2013 regarding Internal Audit report are not applicable on the Company.
- 15) The company has not entered into any non-cash transactions with directors or persons connected with him.
- 16) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)
- 17) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year there we are not required to report in that respect.
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.




20) Provisions of section 135 of the Companies Act 2013 relating to CSR activities regarding are not applicable on the Company

21) Reporting on any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements is not applicable in case of standalone financial statements

Place: New Delhi
Date: 04.05.2022
UDIN: 22012103AINIQK9179

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N


S.N. Agarwal
(Partner)
M. No. : 012103



Divya Software Solutions Private Limited
Standalone Balance Sheet as at March 31, 2022
(In Indian Rupees)

Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4,55,27,334	5,64,57,883
(d) Investment property	4	52,54,42,701	55,21,04,205
(e) Financial assets			
(iii) Loans	5	50,61,784	50,61,784
(f) Income tax assets (net)	6	6,72,667	5,49,034
Total non current assets		57,67,04,486	61,41,72,907
Current assets			
(ii) Cash and cash equivalents	7	43,94,191	46,32,998
(v) Other financial assets	8	6,02,534	6,01,399
(c) Other current assets	9	4,94,219	4,54,071
Total current assets		54,90,944	56,88,468
Total assets		58,21,95,431	61,98,61,375
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,46,330	9,46,330
(b) Other equity	11	58,05,36,492	61,71,88,494
Total equity		58,14,82,822	61,81,34,824
Current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	12	6,68,422	16,16,211
(b) Other current liabilities	13	44,187	1,10,340
Total current liability		7,12,609	17,26,551
Total liabilities		7,12,609	17,26,551
Total equity and liabilities		58,21,95,431	61,98,61,375

The accompanying notes are an integral part of these financial statements
This is the Balance Sheet referred to in our report of even date

1 - 19

As per our Report of even date attached
For S. Agarwal & Co.
Chartered Accountants
Firm Registration No.: 000808N



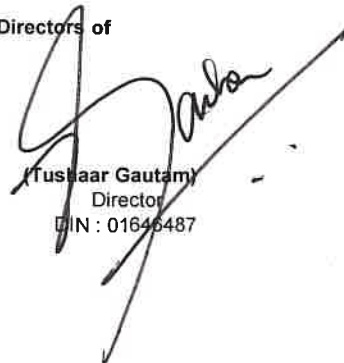
(S.N. Agarwal)
Partner
Membership No.: 12103

Place: New Delhi
Date: 04-05-2022

For and on behalf of the Board of Directors of



(Rahul Gautam)
Director
DIN : 00192999



(Tushaar Gautam)
Director
DIN : 01646487



Divya Software Solutions Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2022
(In Indian Rupees)

Particulars	Note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Other income	14	26,24,335	27,13,883
II Total revenue		<u>26,24,335</u>	<u>27,13,883</u>
III Expenses			
(a) Finance costs	15	7,556	841
(b) Depreciation and amortisation expense	16	3,75,92,054	4,30,36,164
(c) Other expenses	17	14,19,726	15,98,796
Total expenses (IV)		<u>3,90,19,337</u>	<u>4,46,35,801</u>
V Profit before tax (III-IV)		<u>(3,63,95,002)</u>	<u>(4,19,21,918)</u>
VI Tax expense			
Current tax		2,57,000	2,72,700
Tax expenses related to earlier years		-	-
Total		<u>2,57,000</u>	<u>2,72,700</u>
Deferred tax charge/ (credit)		-	-
Total tax expense (VI)		<u>2,57,000</u>	<u>2,72,700</u>
VII Profit for the year		<u>(3,66,52,002)</u>	<u>(4,21,94,618)</u>
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		-	-
Remeasurements of the net defined benefit plans		-	-
(ii) Income tax effect on these items		-	-
IX Total comprehensive income for the year		<u>(3,66,52,002)</u>	<u>(4,21,94,618)</u>
X Earnings per equity share	18		
Basic Basic & Diluted		(387.31)	(445.88)

The accompanying notes are an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date

1 - 19

As per our Report of even date attached

For S. Agarwal & Co.
Chartered Accountants
Firm Registration No.: 000808N



(S.N. Agarwal)
Partner
Membership No.: 12103

For and on behalf of the Board of Directors of



(Rahul Gautam)
Director
DIN : 00192999



(Tushar Gautam)
Director
DIN : 01648487

Place: New Delhi
Date: 04-05-2022



DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

1. COMPANY INFORMATION

Divya Software Solutions Private Limited ('the Company') is a private limited Company incorporated in India, with its registered office in New Delhi. The Company is wholly owned subsidiary of "Sheela Foam Limited" which is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is into business of IT and ITES services and yet to start its operations.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 4, 2022 .

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a. Compliance with Indian Accounting Standards (Ind – AS) :

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Companies (India Accounting Standards) Rules, 2015. For all the periods upto and including year ended March 31, 2017, the Company prepared, its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous Indian GAAP').

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b. Historical Cost Convention

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

- Certain financial assets and liabilities that are measured at fair value.

c. Functional and presentation currency

The financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency.

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;

held primarily for the purpose of trading;

expected to be realized within 12 months after the reporting period; or



- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

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

e. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note- 3.1 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit in future years.

ii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety



of issues depending on the conditions prevailing in the respective domicile of the companies.

iii. Impairment of Financial assets

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

iv. Impairment of non-Financial assets

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

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

v. Estimation uncertainty relating to COVID-19 outbreak

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing 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. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.



Cost of leasehold land is amortized over the period of lease.

Depreciation on property, plant & equipment is provided on a pro-rate basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Building	60	59
Furniture & Fixtures	10	15
Vehicles :		
- Motor car	8	10
Office Equipment	5	20
Date Processing Equipment :		
- Computer Equipment	3	6
Electrical Fittings	10	20

Based on usage pattern, internal assessment and technical evaluation carried out by the technicians, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

2.3 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.



Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.4 Financial Instruments

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

2.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.6 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and 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 obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.7 Revenue Recognition

- a) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- c) Insurance claims are recognized to the extent the Company is reasonably certain of their ultimate receipt.
- d) Dividend income on investment is recognized when the right to receive dividend is established.

Export Incentive such as duty drawbacks is recognized on post export basis on the basis of their entitlement rates.



- f) The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

2.8 Employee Benefits

Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

2.9 Operating leases

Operating leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognized as an expense in the statement of profit and loss on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

2.10 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise.

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

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

2.11 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a. Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.



b. 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 financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.12 Earnings per Share:

Basic earnings per share is calculated by dividing net profit of 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 or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



Divya Software Solutions Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2022
(In Indian Rupees)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit for the year	(3,63,95,002)	(4,19,21,917)
Adjustments:		
Depreciation and amortisation expense	3,75,92,054	4,30,36,164
Finance costs	7,556	841
Interest income	(2,24,335)	(3,13,883)
Operating profit before working capital changes	9,80,273	8,01,205
Changes in working capital:		
Trade and other receivables	(41,283)	12,61,938
Trade payable and other liabilities and provisions	(10,13,942)	(8,15,090)
Cash generated from/(used) in operations	(74,952)	12,48,053
Income tax paid (net of refunds)	(3,80,633)	3,89,445
Net cash flow from/(used) in operating activities (A)	(4,55,585)	16,37,498
B. Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress	-	(1,52,537)
Interest income	2,24,335	12,484
Net cash flow from/(used) in investing activities (B)	2,24,335	(1,40,053)
C. Cash flow from financing activities		
Finance costs	(7,556)	(841)
Net cash flow from/(used) in financing activities (C)	(7,556)	(841)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,38,807)	14,96,604
Cash and cash equivalents at the beginning of the year	46,32,998	31,36,394
Cash and cash equivalents at the end of the year	43,94,191	46,32,998

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Components of cash and cash equivalents:

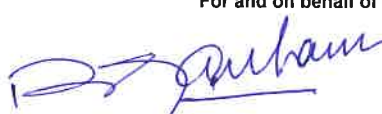
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balance with banks in current accounts	43,94,191	46,32,998
Balance as per Statement of Cash Flows	43,94,191	46,32,998


The accompanying notes are an integral part of these financial statements
This is the Statement of Cash Flows referred to in our report of even date

As per our Report of even date attached
For S. Agarwal & Co.
Chartered Accountants
Firm Registration No.: 000808N


(S.N. Agarwal)
Partner
Membership No.: 12103

For and on behalf of the Board of Directors of


(Rahul Gautam)
Director
DIN : 00192999


(Tushaar Gautam)
Director
DIN : 01656487

Place: New Delhi
Date: 04-05-2022



Divya Software Solutions Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2022
(In Indian Rupees)

a. Equity share capital


	Number of shares	Amount
Balance as at April 01, 2020	94,633	9,46,330
Add: Issued during the year	-	-
Balance as at March 31, 2021	94,633	9,46,330
Add: Issued during the year	-	-
Balance as at March 31, 2022	94,633	9,46,330

b. Other equity

Particulars	Retained earnings	Security Premium	Total
Balance as at April 01, 2020	(3,18,67,364)	69,12,50,476	65,93,83,112
Profit for the year	(4,21,94,618)	-	(4,21,94,618)
Other Comprehensive Gain for the year (net of tax)	-	-	-
Total comprehensive income for the year	(4,21,94,618)	-	(4,21,94,618)
Balance as at March 31, 2021	(7,40,61,982)	69,12,50,476	61,71,88,494
Profit for the year	(3,66,52,002)	-	(3,66,52,002)
Other Comprehensive Gain for the year (net of tax)	-	-	-
Total comprehensive income for the year	(3,66,52,002)	-	(3,66,52,002)
Balance as at March 31, 2022	(11,07,13,984)	69,12,50,476	58,05,36,492


The accompanying notes are an integral part of these financial statements
This is the Statement of Changes in Equity referred to in our report of even date

As per our Report of even date attached
For S. Agarwal & Co.
Chartered Accountants
Firm Registration No.: 000808N


(S.N. Agarwal)
Partner
Membership No.: 12103

For and on behalf of the Board of Directors of


(Rahul Gautam)
Director
DIN : 00192999


(Tushaar Gautam)
Director
DIN : 01646487

Place: New Delhi
Date: 04-05-2022



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 3 : Property, plant and equipment

Particulars	Furniture and fixtures	Vehicles	Office equipment	Electrical installations and equipments	Computers and data processing units	Total property, plant and equipment
At cost or deemed cost						
As at April 1, 2020	17,69,845	4,93,239	73,98,693	4,92,86,127	2,60,42,263	8,49,90,168
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at March 31, 2021	17,69,845	4,93,239	73,98,693	4,92,86,127	2,60,42,263	8,49,90,168
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at March 31, 2022	17,69,845	4,93,239	73,98,693	4,92,86,127	2,60,42,263	8,49,90,168
Accumulated depreciation						
As at April 1, 2020	8,03,153	2,69,828	18,40,695	39,00,152	67,27,904	1,35,41,732
Depreciation charge for the year	1,71,983	67,023	7,14,220	63,13,189	77,24,138	1,49,90,553
Disposals/adjustments	-	-	-	-	-	-
As at March 31, 2021	9,75,136	3,36,851	25,54,915	1,02,13,341	1,44,52,042	2,85,32,285
Depreciation charge for the year	1,40,854	46,916	6,73,273	54,35,024	46,34,483	1,09,30,550
Disposals/adjustments	-	-	-	-	-	-
As at March 31, 2022	11,15,990	3,83,767	32,28,188	1,56,48,365	1,90,86,525	3,94,62,835
Net carrying amount						
As at March 31, 2021	7,94,709	1,56,388	48,43,778	3,90,72,786	1,15,90,221	5,64,57,883
As at March 31, 2022	6,53,855	1,09,472	41,70,505	3,36,37,762	69,55,738	4,55,27,333

Notes:

- a. No property, plant and equipment have been pledged as security.



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 4 : Investment property

Particulars	Buildings	Total
Cost		
At April 1, 2020	58,94,72,048	58,94,72,048
Additions	1,52,537	1,52,537
Disposal/Transfer	-	-
As at March 31, 2021	58,96,24,585	58,96,24,585
Additions	-	-
Disposal/Transfer	-	-
As at March 31, 2022	58,96,24,585	58,96,24,585
Depreciation		
At April 1, 2020	94,74,769	94,74,769
Charge for the year	2,80,45,611	2,80,45,611
Disposals during the year	-	-
As at March 31, 2021	3,75,20,380	3,75,20,380
Charge for the year	2,66,61,504	2,66,61,504
Disposals	-	-
As at March 31, 2022	6,41,81,884	6,41,81,884
Net book value as at March 31, 2021	55,21,04,205	55,21,04,205
Net book value as at March 31, 2022	52,54,42,701	52,54,42,701

Notes:

a. Income from investment property

Particulars	As at March 31, 2022	As at March 31, 2021
Rental Income derived from investment property	24,00,000	24,00,000
Profit arising from investment property before depreciation	23,64,870	20,95,826
Less: Depreciation for the year	(2,66,61,504)	(2,80,45,611)
Net Profit arising from investment property	(2,42,96,634)	(2,59,49,785)

- b. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.
- c. The investment properties are leasehold properties and realisability of the same is subject to the terms and conditions under the respective lease agreements.



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 5 : Loans

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Security deposits	50,61,784	50,61,784
Total	50,61,784	50,61,784

Note 6 : Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision)	6,72,667	5,49,034
Total	6,72,667	5,49,034



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 7 : Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks :		
Current accounts	43,94,191	46,32,998
Total	43,94,191	46,32,998

Note:

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Note 8 : Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Interest accrued but not due on deposits with Banks	2,534	1,399
Interest accrued on loan given to others	6,00,000	6,00,000
Total	6,02,534	6,01,399

Note 9 : Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	4,94,219	4,54,071
Total	4,94,219	4,54,071



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 10 : Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Authorised share capital:		
1,00,00,000 fully paid equity shares of Rs. 10 each	10,00,00,000	10,00,00,000
(March 31, 2021 : 1,00,00,000 fully paid equity shares of Rs. 10)		
	10,00,00,000	10,00,00,000
Issued, subscribed & paid up share capital:		
94,633 fully paid equity shares of Rs. 10 each	9,46,330	9,46,330
(March 31, 2021 : 94,633 fully paid equity shares of Rs. 10 each)		
Total	9,46,330	9,46,330

(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	94,633	9,46,330	94,633	9,46,330
Issued during the year	-	-	-	-
Outstanding at the end of the year	94,633	9,46,330	94,633	9,46,330

c) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

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

	As at March 31, 2022		As at March 31, 2021	
	Number	% of holding	Number	% of holding
Sheela Foam Ltd (including nominee)	94,633	100%	94,633	100%

(e) Shareholding of promoters & promoter group

Shares held by promoters at the end of the year 2022			
Promotor name	No. of shares	% of total shares	% Change during the year
Sheela Foam Ltd (including nominee)	94,633	100%	-
Shares held by promoters at the end of the year 2021			
Promotor name	No. of shares	% of total shares	% Change during the year
Sheela Foam Ltd (including nominee)	94,633	100%	-



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 11 : Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	(11,07,13,984)	(7,40,61,982)
Security premium	69,12,50,476	69,12,50,476
Total	58,05,36,492	61,71,88,494

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Opening balance	(7,40,61,982)	(3,18,67,364)
Net profit for the year	(3,66,52,002)	(4,21,94,618)
Closing balance (A)	(11,07,13,984)	(7,40,61,982)
Security premium		
Opening balance	69,12,50,476	69,12,50,476
Additions during the year		
Closing balance (B)	69,12,50,476	69,12,50,476

Note:

Security premium

The amount received in excess of face value of the equity shares is recognised in Security Premium Reserve.

Note 12 : Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Other liabilities (Refer note 12.1)	6,68,422	16,16,211
Total	6,68,422	16,16,211

12.1 Other liabilities comprise of expense payables, creditors for expenses etc.

12.2 There is no amount due and outstanding to be credited to Investors Education & Protection Fund.

Note 13 : Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Others - statutory remittances		
Payables to Government authorities:		
-TDS/TCS payable	7,977	1,05,232
-GST payable	36,210	5,108
Total	44,187	1,10,340



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 14 : Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income from:		
-Bank deposits	-	1,399
- Others	2,24,335	3,12,484
Rental income	24,00,000	24,00,000
Liabilities/provisions no longer required written back	-	-
Total	26,24,335	27,13,883

Note 15 : Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bank Charges	7,556	841
Total	7,556	841

Note 16 : Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	1,09,30,550	1,49,90,553
Depreciation on right-of-use assets	-	-
Depreciation on investment property (Refer note no.)	2,66,61,504	2,80,45,611
Total	3,75,92,054	4,30,36,164

Note 17 : Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Repair and maintenance		
- Buildings	35,130	3,04,174
- Others	3,396	69,088
Electricity & water Expenses	6,80,384	5,42,400
Insurance	5,17,802	4,88,374
Rates and taxes	4,740	18,000
Legal and professional charges	93,336	81,236
Communication expenses	84,210	94,919
Miscellaneous expenses	728	605
Total	14,19,726	15,98,796

Note 17.1 : Auditor's remuneration included in legal and professional charges (excluding GST)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit	60,000	60,000
Out of pocket expenses	-	-
Total	60,000	60,000



Divya Software Solutions Private Limited
Notes forming part of the standalone financial statements
(In Indian Rupees)

Note 18. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year	(3,66,52,002)	(4,21,94,618)
Earnings used in the calculation of basic earnings per share from continuing operations	(3,66,52,002)	(4,21,94,618)
Earnings used in the calculation of diluted earnings per share from continuing operations	(3,66,52,002)	(4,21,94,618)

Particulars	For the year ended March 31, 2022 (Numbers in lakhs)	For the year ended March 31, 2021 (Numbers in lakhs)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	94,633	94,633

Particulars	For the year ended March 31, 2022 (Rs. per share)	For the year ended March 31, 2021 (Rs. per share)
Basic and diluted earnings per share	(387.31)	(445.88)



DIVYA SOFTWARE SOLUTIONS PRIVATE LIMITED

NOTE 19: OTHER NOTES TO ACCOUNTS

- 19.1 **Contingent Liabilities and Commitments:** There is no Contingent liability and commitment to capital advance during the year.
- 19.2 No provision for gratuity has been made, as the provisions of Gratuity Act 1972 is not applicable on the Company in respect of total no. of employees.
- 19.3 As required Under the Micro, Small and Medium Enterprise Development Act, 2006 there have generally been no reported cases of delays in payments to Micro, Small and Medium Enterprise or of interest payments due to delays in such payments. They are in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprise Development Act, 2006.
- 19.4 Expenditure in Foreign Exchange: Nil
- 19.5 Earnings in Foreign Exchange: Nil
- 19.6 The outbreak of (COVID-19) pandemic globally and in india is causing significant disturbance and slowdown of economic activity. The company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial results.
- 19.7 Earnings per Share:

Particulars	Current Year	Previous Year
Net Profit/(Loss) as per Statement of Profit & Loss (in Rs.)	(3,66,52,002)	(4,21,94,617)
Basic/Diluted weighted average number of equity shares outstanding during the year	94,633	94,633
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic/Diluted Profit /(Loss) per Share (Rs.)	(387.31)	(445.88)

- 19.8 Related party transactions during the year in terms of the provisions of Ind AS - 24 "Related Party Disclosure" are as under:

Name of Related Party	Nature of Relationship	Country of Incorporation
Sheela Foam Limited	Holding Company	India
Stago World Private Limited	Related Entity	India
Mr. Rahul Gautam	Director	--
Mr. Tushaar Gautam	Director	--



(a) Transaction during the Year

(Amt. in Rs.)

Name of Related Party	Relation	Nature of Transaction	Current Year Transactions	Previous Year Transactions
Sheela Foam Ltd.	Holding Company	Rent Paid	4,500/-	18,000/-
Sheela Foam Ltd.	-Do-	Rent Received	12,00,000/-	12,00,000/-
Sheela Foam Ltd.	-Do-	Reimbursement of expenses	1,23,20,258/-	1,21,74,500/-
Staqa World Pvt. Ltd.	Related Entity	Rent Received	12,00,000/-	12,00,000/-

19.9 Auditor Renumeration

	2021-2022	2020-2021
Auditor remuneration	60,000/-	60,000/-

19.10 The Company has taken Land under cancellable operating lease for the period of 90 years. The lease agreement is normally renewed on expiry. There are no restrictions placed upon the Company by entering into this lease and there is no sublease.

The company has provided Depreciation on the above Leased Land proportionally to the Period of Lease.

19.11 Fair Value Measurements

The carrying amounts and fair values of the financial instruments by class are as follows:

Particulars	Carrying amount/Fair value	
	As at 31 st March, 2022	As at 31 st March, 2021
Financial assets		
<u>Carrying amounts/fair value:</u>		
a) <u>Measured at amortised cost</u>		
Non-current assets		
- Loans	50,61,784	50,61,784
Current assets		
- Trade receivables	--	--
- Cash and cash equivalents	43,94,191	46,32,998
- Bank balances other than cash and cash equivalents above	--	--
- Other current financial assets	6,02,534	6,01,399
Total	1,00,58,509	1,02,96,181



Financial liabilities		
<u>Carrying amounts/fair value:</u>		
a) <u>Measured at amortised cost</u>		
Current liabilities		
- Other current financial liabilities	6,68,422	16,16,211
Total	6,68,422	16,16,211

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

19.12 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

19.13 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee.



This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2022. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022.

(i) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of trade and other payables; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Non-current assets		
Loans	50,61,784	50,61,784
Current assets		



- Trade Receivable	--	--
- Cash and cash equivalents	43,94,191	46,32,998
- Bank balances other than cash and cash equivalents above	-	-
- Other current financial assets	6,02,534	6,01,399
Total	1,00,58,509	1,02,96,181

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The Company has considered the latest available credit-ratings of customers in view of COVID-19 to ensure the adequacy of allowance for expected credit loss towards trade and other receivables.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31st March, 2022			
Other current financial liabilities	6,68,422	6,68,422	--
Total	6,68,422	6,68,422	--

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at 31st March, 2020			
Other current financial liabilities	16,16,211	16,16,211	--
Total	16,16,211	16,16,211	--



The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

19.14 Previous year figures have been regrouped / reclassified wherever it considered necessary.

Signature to Notes 1 to 19 of the financial Statements.

For S. AGARWAL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. 000808N



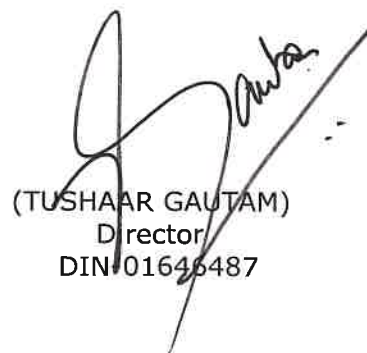
S.N Agarwal
(Partner)
M. No. 012103

Place: New Delhi
Date: 04-05-2022

For & On Behalf of Board



(RAHUL GAUTAM)
Director
DIN-00192999



(TUSHAAR GAUTAM)
Director
DIN 01646487

