Univastu HVAC India Pvt Ltd
Statement of Asset and Liabilities As on 31st March,2022

Particulars		Note No.	As at 31 March 2022	As at 31 March 2021
(I)	**ASSETS:**			
(A)	**Non Current Assets**			
(a)	Property, Plant and Equipment	2	18,09,455	19,64,604.00
(b)	Capital Work-In-Progress			-
('c)	Intangible Assets	2		-
(d)	Financial Assets:			
	(i) Investments			-
	(ii) Other Financial Assets	3	12,92,751	12,15,110.00
(e)	Deferred Tax Assets (Net)			-
(f)	Other Non Current Assets			-
	Total Non Current Assets		**31,02,206.00**	**31,79,714.00**
(B)	**Current Assets**			
(a)	Inventories			
(b)	Contract Assets	4	62,50,000	15,40,900.00
('c)	Financial Assets:			
	(i) Investments			-
	(ii) Trade Receivables	5	1,32,02,352	1,83,27,056.00
	(iii) Cash and Cash Equivalents	6	2,460	67,040.00
	(iv) Other financial asset			-
(d)	Other Current Assets	7	22,45,276	21,40,000.00
(e)	Current Tax Assets			-
	Total Current Assets		**2,17,00,088.00**	**2,20,74,996.00**
	TOTAL ASSETS		**2,48,02,294.00**	**2,52,54,710.00**
(II)	**EQUITY AND LIABILITIES:**			
(A)	**EQUITY**			
(a)	Equity Share Capital	8	1,00,000	1,00,000.00
(b)	Other Equity	9	44,76,786	42,79,562.02
	Total Equity		**45,76,786.02**	**43,79,562.02**
(III)	**LIABILITIES**			
(A)	**Non Current Liabilities**			
(a)	Financial Liabilities:			
	(i) Borrowings	10	56,94,786	54,98,125.8
	(ii) Other Financial Liabilities			-
(b)	Provisions			-
('c)	Deferred Tax Liabilites		57,194	57,194.00
(d)	Other Non Current Liabilities			-
	Total Non Current Liabilities		**57,51,980.00**	**55,55,319.77**
(B)	**Current Liabilities**			
(a)	Financial Liabilities:			
	(i) Borrowings			-
	(ii) Trade Payables		96,42,672	96,06,122.00
	(iii) Other Financial Liabilities			-
(b)	Other Current Liabilities	11	11,03,541	30,89,503.23
('c)	Provisions	12	37,27,315	26,24,203.00
	Total Current Liabilities		**1,44,73,528.00**	**1,53,19,828.23**
	TOTAL EQUITY AND LIABILITIES		**2,48,02,294.00**	**2,52,54,710.00**

As per our report of even date
P. V. Page & Co
Chartered Accountants

P.V. PAGE & CO. CHARTERED ACCOUNTANTS FRN-107243W MEM.NO.030560

Prakash Page
Partner
Membership No - 030560, Firm Regn No - 107243W
Mumbai, MAY, 18, 2022

For Univastu HVAC India Pvt Ltd

Pradeep Khandagale
Director
DIN - 01124220

Prashant Akashe
Director
DIN - 08254653

Pune

Univastu HVAC India Pvt. Ltd.

Univastu HVAC India Pvt Ltd

Statement of Audited Standalone Financial Results for Year Ended March 31,2022

(RS.)

Sr.	Particulars	Note No	For the year ended 31 March 2022	For the year en ded 31 March 2021
				Audited
1	**Revenue from operations**	13	11,60,030.00	67,94,202 .00
2	**Other income**	14		16,566 .00
3	**Total Revenue (1+2)**		**11,60,030.00**	**68,10,768 .00**
4	**Expenses**			
	(a) Cost of raw materials, components consumed	15	(40,22,479.00)	5,47,659 .83
	(b) Construction Expenses	16	16,77,693.00	15,74,875 .00
	(c) Employee benefit expense	17	24,75,397.00	23,08,642 .00
	(d) Finance cost	18	1,65,253.00	1,89,962 .97
	(e) Depreciation and amortization expense	2	2,54,289.00	2,55,160 .00
	(f) Other expenses	19	3,40,056.00	1,62,017 .00
	Total Expenses (a) to (e)		**8,90,209.00**	**50,38,316 .80**
5	**Profit/(Loss) before tax (3-4)**		2,69,821.00	17,72,451 .20
6	**Tax expense**			
	(a) Current Tax		72,597.00	5,71,395 .00
	(b) Deferred tax			16,033 .00
	Total Tax Expenses		72,597.00	5,87,428 .00
7	**Net Profit/(Loss) after tax (5-6)**		**1,97,224.00**	**11,85,023 .20**
8	**Other Comprehensive Income (OCI)**			
	- Items that will not be reclassified to Profit and Loss			-
	- Items that will be reclassified to Profit and Loss			-
9	**Total Comprehensive Income for the period (7+8)**		**1,97,224.00**	**11,85,023.20**
10	Paid - up equity share capital (Face Value of Rs 10/- each)		100000	100000
11	Other Equity excluding revaluation reserves as per Balance Sheet			
12	**Earning per equity share: (# Not annualised except for the year ended March 31, 2021.)**		10000	10000
	Basic		19.72	118.50
	Diluted		19.72	118.50

As per our report of even date
P. V. Page & Co
Chartered Accountants

Prakash Page
Partner
Membership No - 030560, Firm Regn No - 107243W
Mumbai, MAY, 18, 2022

P. V. PAGE & CO. FRN-107243W MEM.NO.030560 CHARTERED ACCOUNTANTS

For Univastu HVAC India Pvt Ltd

Pradeep Khandagale
Director
DIN - 01124220

Prashant Akashe
Director
DIN - 08254653

Univastu HVAC India Pvt. Ltd.

Univastu HVAC India Pvt Ltd

Statement of Cash Flow

Particulars	Year Ended 31.03.2022	Year Ended 31. 03.2021
A. Cash flows from operating activities		
Net profit before tax	269821.00	17,72,451.20
Adjustments for:		
Depreciation	254289.00	2,55,160.00
Finance cost	165253.00	1,89,962.97
Operating profit before working capital changes	**6,89,363.00**	**22,17,574.17**
Adjustments for:		
Sundry debtors and other receivables	51,24,704.00	(10,35,211.00)
Inventories	(47,09,100.00)	43,99,400.00
Other Current Financial and Current Assets	(1,05,276.00)	(21,00,000.00)
Other Non Current Financial and Non Current Assets	(77,641.00)	(2,58,351.00)
Trade Creditors	36550.00	(48,85,484.00)
Other Current Liabilities and Provisions	(8,82,850)	20,66,301.00
Other Non Current Liabilities and Provisions		-
Cash generated from operations	**75,749.77**	**4,04,229.17**
Income taxes paid (net of refunds, if any)	(72,597)	(5,71,395.00)
Net cash from operating activities	**3,152.77**	**(1,67,165.83)**
B. Cash flows from investing activities		
Purchase of fixed assets and CWIP	(99,140.00)	
(Purchase)/Sales of Investment		-
Net cash used for investing activities	**(99,140)**	-
C. Cash flows from financing activities		
Proceeds/(Repayment) of Long Term Borrowings	196660.23	2,72,335.00
Proceeds/(Repayment) of Short Term Borrowings		-
Increase in share capital & Reserves		-
Finance Cost	(1,65,253)	(1,89,963.00)
Net cash from financing activities	**31,407.23**	**82,372.00**
Net increase in cash and cash equivalents (A + B + C)	**(64,580.00)**	**(84,793.83)**
Cash and cash equivalents at beginning of period	**67,040.00**	**1,51,834.00**
Cash and cash equivalents at end of period	**2,460.00**	**67,040.17**

As per our report of even date
P. V. Page & Co
Chartered Accountants

P. V. PAGE & CO. FRN-107243W MEM.NO.030560 CHARTERED ACCOUNTANTS

Prakash Page
Partner
Membership No - 030560, Firm Regn No - 107243W
Mumbai, MAY, 18, 2022

Univastu HVAC India Pvt Ltd

Univastu HVAC India Pvt. Ltd

Pradeep Khandagale
Director
DIN - 01124220

Prashant Akashe
Director
DIN - 08254653

Notes forming part of the financial statements for the Nine month year ended 31st March,2022

Note 2 Property Plant & Equipment

	Fixed Assets	Gross Block					Accumulated Depreciation				Net Block	
		Balance as at 1 April 2021	Additions / (Disposals)	Acquired through business combinations	Revaluations / (Impairments) / (Deletion)	Balance as at 31th March 2022	Balance as at 1 April 2021	Depreciation charge for the year	On disposals	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	Tangible Assets											
	Computer Equipment	1,05,254	99,140	-	-	2,04,394	75,793	24,198	8,171	1,08,162	96,232	1,20,430
	Vehicles	23,42,401	-	-	-	23,42,401	4,07,258	2,21,920	-	6,29,178	17,13,223	19,35,143
	Total	24,47,655	99,140	-	-	25,46,795	4,83,051	2,46,118	8,171	7,37,340	18,09,455	20,55,573
b	Intangible Assets											
	Total	-	-	-	-	-	-	-	-	-	-	-
	Total	24,47,655	99,140	-	-	25,46,795	4,83,051	2,46,118	8,171	7,37,340	18,09,455	20,55,573

P. V. PAGE & CO. * CHARTERED ACCOUNTANTS *
FRN-107243W
MEM.NO.030560

Univastu HVAC India Pvt Ltd

Notes forming part of the financial statements for the year ended 31st March, 2022

Note 3 Non Current Financial Assets -Others

	Non Current Financial Assets -Others	As at 31 March 2022	As at 31 March 2021
	Unsecured, considered good		
(a)	Security deposits		
	(Includes security deposits, Misc Deposit, Deposit against Leased Assets, GST Deposit, retentions etc. by clients)	12,92,751.00	12,15,110.00
		12,92,751.00	12,15,110.00
	Less: Provision for doubtful deposits		-
		12,92,751.00	12,15,110.00
Total		12,92,751.00	12,15,110.00

Note 4 Current Assets -Contract Assets

	Current Financial Assets -Inventories	As at 31 March 2022	As at 31 March 2021
(a)	Unbilled Revenue/WIP		
	Unsecured, Considered good	62,50,000	15,40,900.00
Total		62,50,000.00	15,40,900.00

Note 5 Current Financial Assets - Trade Receivables

	Current Financial Assets - Trade Receivables	As at 31 March 2022	As at 31 March 2021
(a)	Trade receivable outstanding for a period exceeding nine months from the date they were due for payment		
	Secured, Considered good	97,16,762.00	1,01,16,762.52
	Unsecured, Considered good		-
	Doubtful		-
		97,16,762.00	1,01,16,762.52
	Less: Provision for doubtful receivable		-
		97,16,762.00	1,01,16,762.52
(b)	Other trade receivables	34,85,590.00	82,10,294.00
Total		1,32,02,352.00	1,83,27,056.52

Univastu HVAC India Pvt Ltd

Notes forming part of the financial statements for the year ended 31st March, 2022

Note 6 Current Financial Assets - Cash & Cash Equivalents

	Current Financial Assets - Cash & Cash Equivalents	As at 31 March 2022	As at 31 March 2021
(a)	Cash on hand	2,460.00	66,758.00
(b)	Balance with banks		
(i)	In current account		282.00
(ii)	Fixed deposits with banks		-
Total		2,460.00	67,040.00

Note 7 Current Assets - Others

	Current assets-Other	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good			
(a)	Loans & Advances to employees		
	Advance against salary to staff	1,69,176.00	1,40,000.00
(b)	Other		
	(Paid to Suppliers, work executors and Others)	20,00,000.00	20,00,000.00
(c)	TDS Receivable	53,619	
(d)	Income Tax Refund	22,481	
Total		22,45,276.00	21,40,000.00

P.V. PAGE & CO. FRN-107243W MEM.NO.030560 CHARTERED ACCOUNTANTS

Univastu HVAC India Pvt Ltd

Notes forming part of the financial statements for the year ended 31st March, 2022

Note 8 Share Capital

Share Capital	As at 31 March 2022	
	Number	Rs.
Authorised		
Equity Shares of Rs.10 Each	10000	100000
Issued, Subscribed & Paid up		
Equity Shares of Rs.1each	10000	100000
Subscribed but not fully Paid up		
Equity Shares of Rs. 1 each, not fully paid up		
Total	10,000	1,00,000

Notes:

(a) The company has only one class of shares referred to as equity shares having a par value of Rs.1 each. Each holder of equity shares is entitled to one vote per share

(b) The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:

Particulars	As at 31 March 2022	
	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the year	10,000	1,00,000
Shares Issued as Bonus during the year		
Shares Issued during the year		
Shares bought back during the year		
Shares outstanding at the end of the year	10,000	1,00,000

(c) Details of Shareholder(s) holding more than 5% shares are as follows:

Name of Shareholder	As at 31 March 2022	
	No. of Shares held	% of Holding
Univastu India Ltd	7,600	76.00%
Sagar Gojare	2,400	24.00%

P.V. PAGE & CO.
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CHARTERED ACCOUNTANTS

Univastu HVAC India Pvt Ltd

Notes forming part of the financial statements for the year ended 31st March, 2022

Note 9 Other Equity

	Other Equity	As at 31 March 2022	As at 31 March 2021
(a)	**General Reserve**		
	Opening Balance	42,79,562	30,94,538.82
	Add : Profit For year	1,97,224	11,85,023.20
	Closing Balance	44,76,786.02	42,79,562.02
Total		44,76,786.02	42,79,562.02

Note 10 Non Current Financial Liabilities - Borrowings

	Non Current Financial Liabilities - Borrowings	As at 31 March 2022	As at 31 March 2021
(a)	**From Banks & Financial Institutions**		
	Outstanding towards Bank Term Loan		
	Vehicle Loans (Secured against the Vehicles of Company)	19,00,219	22,14,147.77
(b)	Unsecured Loan from Directors	37,94,567	32,83,978.00
Total		56,94,786.00	54,98,125.77

Note 11 Current Liabilities- Others

	Current Liabilities- Others	As at 31 March 2022	As at 31 March 2021
(a)	Other payables		
(i)	Statutory remittances		
	TDS Payable	7,999	12,124.00
	Income Tax Payable	72,597	2,87,380.00
	Profession Tax Payable	9,200	5,900.00
	GST Payabale	10,13,745	27,84,099.23
Total		11,03,541.00	30,89,503.23

Note 12 Current Liabilities- Provisions

	Current Liabilities- Provisions	As at 31 March 2022	As at 31 March 2021
(a)	**Provision for employee benefits**		
	Provision for expenses	90,000	1,86,008.00
	Outstanding towards Employees	36,37,314	24,38,195.00
		37,27,314.00	26,24,203.00

P. V. PAGE & CO.
FRN-107243W
MEM.NO.030560
CHARTERED ACCOUNTANTS

Univastu HVAC India Pvt Ltd
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 13 Revenue from Operations

Revenue from Operations	As at 31 March 2022	As at 31 March 2021
(a) Receipts from Infrastructure Contracts	11,60,030	1,11,93,602.00
(b) Other Sale		
Total	11,60,030.00	1,11,93,602.00

Reconciliation of Revenue

Revenue from Operations	As at 31 March 2022	As at 31 March 2021
(a) Revenue as per contracted price		-
Ajustments		
Add: Closing Unbilled Revenue/WIP	-	15,40,900
Less: Opening Unbilled Revenue/WIP	-	(59,40,300)
(b) Changes in WIP	-	(43,99,400)
Total	-	(43,99,400)

Note 14 Other Income

Other Incomes	As at 31 March 2022	As at 31 March 2021
(a) Other Income		16,566
Total		16,566

Note 15 Cost of Material Consumed

Material consumed & Direct Expenses	As at 31 March 2022	As at 31 March 2021
(a) Opening Stock of Raw material & Components	15,40,900	-
(b) Add: Purchases of Raw Material and Construction Material	6,86,621.00	5,47,660
(c) Less: Closing stock of Raw material & Components	(62,50,000)	-
Total	(40,22,479.00)	5,47,660

P.V. PAGE & CO. FRN-107243W MEM.NO.030560 CHARTERED ACCOUNTANTS

Univastu HVAC India Pvt Ltd

Notes forming part of the financial statements for the year ended 31st March, 2022

Note 16 Construction Expenses

Material consumed & Direct Expenses	As at 31 March 2022	As at 31 March 2021
(a) Labour expenses	16,30,356	14,50,118
(b) Machinery Rent expenses	-	-
(c) Site Expenses	34,827	1,16,727
(d) Transport Charges	12,510	8,030
(e) Repairs & Maintenance		-
Total	16,77,693.00	15,74,875

Note 17 Employee Benefit Expenses

Employees Benefit Expenses	As at 31 March 2022	As at 31 March 2021
(a) Staff salary & allowances	24,11,670	22,60,753
(b) Staff welfare expenses	63,727	47,889
Total	24,75,397.00	23,08,642

Note 18 Finance Cost

Finance Cost	As at 31 March 2022	As at 31 March 2021
(a) Interest on loans	1,60,405	1,87,588
(b) Bank charges & commission	4,848	2,375
Total	1,65,253.00	1,89,963

Note 19 Other Expenses

Other Expenses	As at 31 March 2022	As at 31 March 2021
(a) Audit Fees		
-Statutory Audit Fees	30,000	30,000
(b) Interest on Income Tax	50,139	-
(c) Electricity Charges		-
(d) Office Expenses	14,010	3,500
(e) Postage & Courier Expenses	70	1,720
(f) Printing & Stationary Expenses	12,593	3,132
(g) Professional Fees	1,05,000	82,000
(h) Rent		-
(i) Travelling Expenses	1,28,229	41,665
(j) Other Expenses	15	
Total	3,40,056.00	1,62,017

P.V. PAGE & CO. FRN-107243W MEM.NO.030560 CHARTERED ACCOUNTANTS

Univastu HVAC India Pvt Ltd
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 20 Earning Per Share

Earning Per Share	As at 31 March 2022	As at 31 March 2021
(a) Net Profit attributable to equity shareholders	11,85,023	24,50,560
(b) Weighted average number of equity shares outstanding	10,000	10,000
Total	118.50	245.06

Note 21 Payment to Auditors

Payment to Auditors	As at 31 March 2022	As at 31 March 2021
As:		
(a) Auditors	22,500	22,500
(b) For Taxation Audit	7,500	7,500
(c) For Taxation matters		-
(d) For Company Law matters		-
(e) For Management Services		-
(f) For Other Services		-
(g) For Reimbursement of Expenses		-
Total	30,000	30,000

Note 22 Earning in foreign currency

Earning in foreign currency		As at 31 March 2021
(a) Earning in foreign currency		-
Total		-

Note 23 Expenditure in Foreign Currency

Expenditure in Foreign Currency		As at 31 March 2021
(a) Expenditure in Foreign Currency	-	-
Total	-	-

Univastu HVAC India Pvt Ltd
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 24 Contingent Liabilities & Commitments

Contingent Liabilities & Commitments		As at 31 March 2021
(a) Outstanding Bank Guarantees	-	-
Total		-

P. V. PAGE & CO. FRN-107243W MEM.NO.030560 CHARTERED ACCOUNTANTS

Note 25 Related Party Transactions
List of Related Parties

Holding Company
Univastu India Ltd

Key Management Personnel
Pradeep Khandagale
Sagar Gojare
Prashant Akashe

Relative of Director
Swati Gojare-Spouse

Contingent Liabilities & Commitments		As at 31 March 2021
(a) Remuneration Paid Sagar Gojare	6,00,000	5,50,000
(b) Relative of Key Management Personnel - Director Swati Gojare	3,60,000	3,30,000
(c) Sales to Holding Company Sales	-	55,40,900

Note 26 Confirmation

The balances in the accounts of Trade Receivables, Trade Payables, Loans and Advances, Other Current Assets and Other Current Liabilities are subject to confirmation / reconciliation, if any, The Management does not expect any significant variance from the reported figures.

Note 27 Disclosure of Creditors outstanding under MSMED Act, 2006

The information regarding outstanding amount payable to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Univastu HVAC India Pvt Ltd
Notes forming part of the financial statements for the year ended 31st March, 2022

Note 28 Reclassification

The Company has recast, re-grouped and reclassified previous year figures to conform to this year's classification.

As per our report of even date
P. V. Page & Co
Chartered Accountants

P. V. PAGE & CO.
FRN-107243W
MEM.NO.030560
CHARTERED ACCOUNTANTS

Prakash Page
Partner
Membership No - 030560, Firm Regn No - 107243W
Mumbai, MAY, 18, 2022

For Univastu HVAC India Pvt Ltd

Univastu HVAC India Pvt. Ltd.

Pradeep Khandagale
Director
DIN - 01124220

Prashant Akashe
Director
DIN - 08254653

Significant accounting policies

Notes to the financial statements for the year ended 31st March 2022

Note-1 Significant accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of Indian Accounting Standards (Ind-AS) notified under the Companies Act, 2013 ("the Act") (to the extentnotified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AShave been prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Company maintains it's accounts on accrual basis following historical cost convention except for certain financial instruments which are measured at fair values. The financial statements have been prepared on accrual and going concern basis.

The financial statements have been approved for issue by the Board of Directors at it's meeting held on 27 May 2022.

1.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis in accordance with Ind AS on each reporting date.

Items	Measurement basis
Share based payment transactions	Fair value
Defined benefit plan – plan assets	Fair value

1.3 Current or non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normaloperating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act,2013.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycleas 12 months for the purpose of current or non-current classification of assets and liabilities for product business. In case of project business, operating cycle is dependent on life of specific project/ contract/ service, hence current non-current bifurcation relating to project is based on expected completion date of project which generally exceeds 12 months.

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1.4 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information is presented in INR MN rounded off to three decimal places, except share and per share data, unless otherwise stated.

1.5 Use of judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. The estimates are based on management's best knowledge of current events and actions, however, due to uncertainty about these assumptions and estimates, actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accountingestimates are recognised prospectively.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- **Estimation of defined benefit obligation** - The cost of the defined benefit gratuity and pension plan, and the present value of the gratuity/pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. (Refer note – 34)
- **Estimation of leave encashment provision** - The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations.(Refer note 38)
- **Impairment of receivables** - The impairment provisions for financial receivables disclosed are based on assumptions about risk of default and expected credit loss. (Refer note 40)
- **Decommissioning liability** - Initial estimate of dismantling and restoration liability requires significant judgement about cost inflation index and other factors. (Refer note 38)
- **Provision for warranty claims** - Provision is recognised based on the key assumptions about likelihood and magnitude of an outflow of resources. (Refer note 38)
- **Estimation of provision for loss on long term contract** - The provision is recognised when the estimated cost exceeds the estimated revenue for constructions contracts as per Ind AS 115. (Refer note 38)

1.6 Inventories

Inventory of Raw Materials, Stores and spares and land are valued at cost or net realizable value whichever is lower. Cost includes all non-refundable taxes and expenses incurred to bring the inventory to present location. Cost is determined using weighted average method of valuation. Net realisable value is

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the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and overheads

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are valued at the lower of cost and net realizable value. The cost is calculated on moving weighted average method. Costs incurred in bringing each product to its present locationand conditions are accounted for as follows:

- **Raw materials:** cost includes cost of purchase excluding taxes subsequently recoverable from tax authorities and other costs incurred in bringing the inventories to their present location and condition. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- **Finished goods and work in progress:** cost includes cost of direct materials, labour and a systematic allocation of fixed and variable production overhead that are incurredin converting raw material into work in progress / finished goods based on the normal operating capacity and actual capacity respectively.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Based on ageing of inventory and it's future potential to generate economic benefit, company provides for slow and non-moving inventory using provision matrix. This provision is reversed once such inventory is consumed or expected to be consumed.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net- realizable value is made at regular intervals (each reporting period) and at change of events.

1.7 Cash and cash equivalents

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

The deposits maintained by the Company with banks and financial institutions comprise time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

While other bank balances include, margin money, deposits, earmarked balances with bank, and other bank balances with bank which have restrictions on repatriation.

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1.8 **Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjustingthe profit before tax for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, unrealized foreign currency gains andlosses; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

1.9 **Property, plant and**

equipment (PPE)

Measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of PPE comprises its purchase price, including import duties net of credits and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any discounts and rebates are deducted in arriving at the purchase price.

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

Borrowing costs directly attributable to the construction or acquisition of a qualifying asset upto completion or acquisition are capitalised as part of the cost. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

When parts of an item of PPE have different useful lives, they are accounted for as separate items(major components) of PPE.

PPE under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of PPE outstanding at each reporting date are disclosed under "Other non-current assets".

Subsequent costs

The cost of replacing a part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Companyand its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the

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day-to-day servicing of PPE are recognised in the statement of profit and loss asincurred.

Disposal

An item of PPE is derecognized upon disposal or when no future benefits a re expected from its use or disposal. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE, and are recognised within other income/ expenses in the statement of profit and loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on additions to/deductions fromowned assets is calculated pro rata to the period of use. Further, extra shift depreciation is provided wherever applicable. Depreciation charge for impaired assets if any is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining usefullife.

Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of PPE as prescribed in Schedule II of the Companies Act 2013 except in the case of patterns as mentioned below where the management based on the technical evaluation have estimated the life to be lower than the life prescribed in schedule II.

Patterns – Useful life 1-7 Years

Life of assets considered as per schedule II -

Particulars	Life
Building	60 Years
Factory Building	30 Years
Plant and Equipment	3-22 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Railway Siding	15 Years

1.10 Investment property

Investment property is a property, being land or building or part of it, (including those under construction) that is held to earn rental income or for capital appreciation or both but not held forsale in ordinary course of business, use in manufacturing or rendering services or for administrative purposes.

Upon initial recognition, investment property is measured and reported at cost, including transaction costs. The cost of investment property includes its purchase price and directly attributable expenditure, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the company and the cost of the item can be measured reliably. All other

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repairs and maintenance costs are expensed when incurred.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any. The estimated useful life and residual values are reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Investment property in the form of land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the assetis recognised in the statement of profit and loss in the period of derecognition.

1.11 Intangible assets

Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Companyand it is probable that the future economic benefits that are attributable to the asset will flow to theCompany and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost lessaccumulated amortisation and accumulated impairment losses (if any).

Intangible assets with indefinite useful lives (Goodwill) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available foruse, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The method of amortisation and useful life is reviewed at the endof each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenanceexpenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised over the period of three years.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying

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Research and development costs -

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be availablefor use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised overthe period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss.

During the period of development, the asset is tested for impairment annually.

1.12 **Interest in joint operations**

The company as joint operator recognizes in relation to its interest in a joint operation, it's share in the assets/ liabilities held / incurred jointly with the other parties of the joint arrangements. Revenue is recognised for it's share of revenue from the sale of output by the joint operator. Expenses are recognised for it's share of expenses incurred jointly with the other parties of the joint arrangements.

1.13 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowingof funds. Borrowing cost also includes exchange differences in relation to the foreign currency borrowings to the extent those are regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised in the cost of that asset. Qualifying assets are those assets which necessarilytakes a substantial period of time to get ready for its intended use or sale.

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

All other borrowing costs are expensed in the period in which they are incurred.

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1.14 **Revenue recognition**

Performance obligation in case of long - term construction contracts is satisfied over a period of time, since the Company creates an asset that the customer controls as the asset is created and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term construction contracts, where the outcome can be estimated reliably and project cost is incurred, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The percentageof-completion method (an input method) is the most faithful depiction of the company's performance because it directly measures the value of the services transferred to the customer. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Sale of goods

Revenue from the sale of goods is recognized when control of the goods is transferred to the buyer. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

Customer loyalty programs

The Company allocates a portion of the consideration received to loyalty points. This allocationis based on the relative stand-alone selling prices. The amount allocated to the loyalty programs is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.

Rendering of services

Revenue is recognized over the time as and when customer receives the benefit of company's performance and the company has an enforceable right to payment for services transferred.

Construction Contracts

Contract revenue includes initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

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Contract revenue and contract cost arising from fixed price contract are recognized in accordancewith the percentage completion method (POC).

The stage of completion is measured with reference to cost incurred to date as a percentage of total estimated cost of each contract. Until such time (50% of project cost in case of civil projectsoutside India and 25% of project cost in case of other projects) where the outcome of the contract cannot be ascertained reliably, the Company recognizes revenue equal to actual cost.

Full provision is made for any loss estimated on a contract in the year in which it is first foreseen.

Where the Company is involved in providing operation and maintenance services under a single construction contract, then the consideration is allocated on a relative stand-alone price basisbetween various obligations of a contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date andrecognized profits (or recognized losses, as the case may be), the surplus is shown as the amount due to customers.

For contracts where the aggregate of contract costs incurred to-date and recognized profits (or recognized losses, as the case may be) exceed progress billing, the deficit is shown as the amount due from customers. Amount due from customers is shown as part of other non-financial assets as the contractual right for consideration is dependant on completion of contractual milestones.

Amounts received before the related work is performed are disclosed in the Balance Sheet as aliability towards advance received. Amounts billed for work performed but yet to be paid by thecustomer are disclosed in the Balance Sheet as trade receivables.

The amount of retention money held by the customers is disclosed as part of other current assets

1.15 Other income

Interest is recognized on a time proportion basis determined by the amount outstanding and the rate applicable using the effective interest rate (EIR) method. Dividend income and export benefitsare recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

Interest receivable on customer dues is recognised as income in the Statement of Profit and Losson accrual basis provided there is no uncertainty towards its realization

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can bemeasured reliably.

1.16 Foreign

currencies

transactions

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Transactions

and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as atthe reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in termsof historical cost are translated using the exchange rate at the date of the transaction.

1.17 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period inwhich the employee renders the related service.

Post-

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benefits

Defined

contributi

on plans

The company's superannuation scheme, state governed provident fund scheme related to employee state insurance scheme are defined contribution plans. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined Benefit Plans

The employees' gratuity fund schemes and provident fund scheme managed by a trust and pension scheme are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee

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benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the plan's assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

The Company pays contribution to a recognized provident fund trust in respect of above-mentioned PF schemes.

Other long-term employee benefit

Compensated absences liabilities mean, the liabilities for earned leave that are not expected tobe settled wholly within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Re-measurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

1.18 Income taxes

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Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directlyin equity or in OCI.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are thosethat were enacted at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if certain criteria are met and suchoffsetting is legally enforceable.

Deferred tax

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

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or subsequently enacted regulations.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to theextent that it is no longer probable that sufficient taxable profit will be available to allow all or partof the deferred tax asset to be utilized. Unrecognized 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

1.19 Share-based payments

Share based compensation benefits are provided to the employees (including senior executives) of the company under the Company's Employee Stock Option Scheme, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The fair value of the options granted to employees is recognised as an employee benefit expensewith a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactionsat each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimatelyvest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits

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expense.

When the terms of an equity-settled award are modified, the minimum expense recognised isthe expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured atthe date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computationof diluted earnings per share.

1.20 Provisions

A Provision is 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 theobligation.

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

Warranty provisions

A provision for warranty is recognised when the underlying products and services are sold to the customer based on historical warranty data and at its best estimate using expected value method. The initial estimate of warranty-related costs is revised annually.

Provision for decommissioning and site restoration

The Company has a legal obligation for decommissioning of windmills and restoring the site back to its original condition. Decommissioning and restoration costs are measured initially at its best estimate using expected value method. The present value of initial estimates is provided as a liability and corresponding amount is capitalised as a part of the windmill. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost ofthe asset.

Contingent liabilities

Contingent liability is disclosed when,

- company has a present obligation arising from past events, when it is not probable that anoutflow of resources will be required to settle the obligation; or
- present obligation arising from past events, when no reliable estimate is possible; or
- A possible obligation arising from past events where the probability of outflow of resourcesis not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

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1.21 Leases

Company has adopted Ind AS 116 'Leases' from 1 April 2019. On transition, company has recognized right-to-use asset equal to lease liability which is the present value of the remaining lease payments, discounted using incremental borrowing rate at the date of initial application i.e.1 April 2019.

Lease is a contract that provides to the customer (lessee) the right to use an asset for a period oftime in exchange for consideration.

A Company as a Lessee

A lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the statement of Profit and Loss.

Initial

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Asset

At the commencement date, the Company measures the right-of-

use asset at cost.The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs areincurred to produce inventories. The lessee incurs the obligation for those costs either atthe commencement date or as a consequence of having used the underlying asset duringa particular period.

Lease liability

At the commencement date, the Company measures the lease liability at the present value ofthe lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

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Lease payments included in the measurement of the lease liability comprise the followingpayments:

- Fixed payments (including in-substance fixed payments), less any lease incentivesreceivable;
- Variable lease payments that depend on an index or a rate, initially measured using theindex or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

Subsequu

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Right to

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assets

Subsequently the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events orchanges in circumstances indicate that their carrying amounts may not be recoverable.

Lease Liability

Subsequently the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability at the interest rate implicit in the lease, if that rate can be readily determined or the Company's incremental borrowing rate.
- reducing the carrying amount to reflect the lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments.
-

B Company as a Lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the

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Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

1.22 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset orcash generating unit (CGU) may be impaired. If any such indication exists, the company estimatesthe recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset orCGU 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 valueusing a pre-tax discount rate that reflects current market assessments of the time value of moneyand the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amountthat would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.23 Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic bestinterest.

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

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of

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unobservable inputs.

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fairvalue measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fairvalue measurement is unobservable
-

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by

re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

1.24 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss(FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at amortised cost if,

- the asset is held within a business model whose objective is to hold

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assets in order tocollect contractual cash flows; and

- the contractual terms of instrument give rise on specified dates to cash flows that are solelypayments of principal and interest on the principal amount outstanding.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from thefinancial asset expire, or it transfers the rights to receive the contractual cash flows in a transactionin which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition ofimpairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans,debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables
- Trade receivables or any contractual right to receive cash or another financial asset thatresult from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assetsand risk exposure, the Company determines that whether there has been a significant increase inthe credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Financial liabilities

Initial recognition and measurement

The company initially recognises loans and advances, deposits, debt securities issued andsubordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of

P. V. PAGE & CO. CHARTERED ACCOUNTANTS FRN-107243W MEM.NO.030560 financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial liability is measured initially at fair value plus, for an item not at fair value through profitor loss, transaction costs that are directly attributable to its acquisition or issue.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

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

1.25 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financialyear, adjusted for bonus elements in equity shares issued during the year and excluding treasuryshares.

Diluted EPS adjust the figures used in the determination of basic EPS to

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consider

- The after-income tax effect of interest and other financing costs associated with dilutivepotential equity shares, and
- The weighted average number of additional equity shares that would have been outstandingassuming the conversion of all dilutive potential equity shares (if any).

1.26 Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

Company operates in single reporting segment of 'Fluid Machinery and Systems'

1.27 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

Univastu HVAC India Pvt. Ltd. *

Pradeep Khandagale
Director
DIN - 01124220

Prashant Akashe
Director
DIN - 08254653

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