



To,

The Board of Directors,

LAVA INTERNATIONAL LIMITED

A56, Sector-64, Block-A

Noida,

Uttar Pradesh - 201301

Lava Technologies DMCC

Unit no. 984, DMCC Business Centre,

Level 1, Jewellery & Gemplex 3,

Dubai - United Arab Emirates

Re: Proposed initial public offering of equity shares of LAVA INTERNATIONAL LIMITED

Dear Sirs,

We have verified the translated version of the audited financial statements of **Lava Technologies DMCC** (the "**Company**") for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 ("Financial years"). These Financials statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, "The Effect of Changes in Foreign Currency Rates". The work carried out by us is in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A Item No. (11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). We have verified the translated financial information contained in the Annexure attached to this Certificate which is proposed to be uploaded on the website of **LAVA INTERNATIONAL LIMITED** in connection with its proposed initial public offering of equity shares of Face Value of Rs. 5/- each (the "**Offer**").

We did not audit the financial statements of **Lava Technologies DMCC**. These financial statements have been audited by other audit firms, whose reports have been furnished to us by the Company.

These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited financial statements referred to herein.

These translated financials are intended solely for use of the management for uploading on website of **LAVA INTERNATIONAL LIMITED** in connection with its proposed initial public offering of equity shares of Face Value of Rs. 5/- each.



Based on our examination, we confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

Restriction on use

This certificate has been provided by A C Gupta & Associates, Chartered Accountants, at the request of the LAVA International Limited and solely for the information of **Axis Capital Limited, DAM Capital Advisors Limited, BOB Capital Markets Limited and SBI Capital Markets Limited** and any other book running lead managers appointed by LAVA International Limited (Collectively referred to as the "Book Running Lead Managers" or the "BRLMs") to assist them in conducting their due-diligence and documenting their investigations of the affairs of LAVA International Limited in connection with the proposed offer. This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer.

This certificate is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior consent in writing, other than the purpose stated above. We, however, hereby give consent for inclusion of our name and this information (in full or in part) in the Draft Red Herring Prospectus, Updated Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus proposed to be filed by LAVA International Limited with the Securities and Exchange Board of India ("SEBI"), the stock exchanges where the Equity Shares of LAVA International Limited are proposed to be listed (the "Stock Exchanges") and the Registrar of Companies, Delhi and Haryana ("RoC") and any other material used in connection with the Offer and submission of this certificate to SEBI, Stock Exchanges, or RoC in connection with the proposed Offer, as the case may be. Additionally, we hereby give our consent for the submission of this certificate to any other regulatory authority as may be required under applicable law in connection with the proposed Offer, as the case may be.

This certificate is being issued in supersession of the certificate issued vide UDIN No. 21008565AAAABA5154 dated 09.11.2021. New Certificate has been issued due to certain clerical errors in the underlying financial statement of the aforementioned certificate. This is to confirm that there are no changes in the financial numbers certified vide the earlier certificate.

Yours Sincerely,

For A C Gupta & Associates

Chartered Accountants

FRN No. - 08079N

A C Gupta
Partner

M. No. 008565

Date: 19.05.2022

UDIN: 22008565AJGJNU4248



Lava Technologies DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Translated version of audited statement of financial position

	Notes	AED Mar 31, 2021	AED Mar 31, 2020	AED Mar 31, 2019	INR Mar 31, 2021	INR Mar 31, 2020	INR Mar 31, 2019
Assets							
Non-current assets							
Property, plant and equipment	5	40,647	52,906	69,263	810,769	1,086,478	1,306,979
Total non-current assets		40,647	52,906	69,263	810,769	1,086,478	1,306,979
Current assets							
Inventories	6	1,203,266	476,279	-	24,001,066	9,780,866	-
Due from related parties	7	11,422,008	11,869,725	11,500,933	227,830,225	243,756,673	217,020,306
Trade receivables	8	45,837,114	35,280,697	22,258,093	914,294,578	724,524,394	420,005,763
Advances, deposits and other receivables	9	10,091,889	720,915	1,000	201,298,873	14,804,710	18,870
Bank balances	10	16,507	382,247	446,877	329,259	7,849,824	8,432,480
Total current assets		68,570,784	48,729,863	34,206,903	1,367,754,000	1,000,716,467	645,477,418
Total assets		68,611,431	48,782,769	34,276,166	1,368,564,769	1,001,802,944	646,784,397
Equity and liabilities							
Equity							
Share capital		18,350,000	18,350,000	18,350,000	339,293,222	339,293,222	339,293,222
Retained earnings		47,236,106	22,953,895	11,776,910	924,538,338	433,448,982	217,661,856
Share application money		6,400	6,400	6,400	118,341	118,341	118,341
Shareholder's current account		17,625	17,625	17,625	321,111	321,111	321,111
Foreign Currency Translation reserve		-	-	-	44,428,025	75,528,509	11,547,583
Total equity		65,610,131	41,327,920	30,150,935	1,308,699,038	848,710,165	568,942,113
Current liabilities							
Accounts and other payables	11	1,237,961	6,076,090	3,760,479	24,693,113	124,778,584	70,959,487
Due to a related party	7	1,763,339	1,378,759	364,752	35,172,618	28,314,195	6,882,797
Total current liabilities		3,001,300	7,454,849	4,125,231	59,865,731	153,092,779	77,842,284
Total liabilities		3,001,300	7,454,849	4,125,231	59,865,731	153,092,779	77,842,284
Total equity and liabilities		68,611,431	48,782,769	34,276,166	1,368,564,769	1,001,802,944	646,784,397

The accompanying notes no. 1 to 23 form an integral part of these special purpose financial statements.



Lava Technologies DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Translated version of audited statement of profit or loss and other comprehensive income

		AED	AED	AED	INR	INR	INR
	Notes	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	Apr 01, 2018 to Mar 31, 2019	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	Apr 01, 2018 to Mar 31, 2019
Revenue	12	448,494,200	290,079,430	190,374,279	9,070,456,060	5,600,383,880	3,615,126,649
Cost of revenue	13	(414,349,443)	(276,211,837)	(178,961,179)	(8,379,904,168)	(5,332,650,852)	(3,398,396,731)
Gross profit		34,144,757	13,867,593	11,413,100	690,551,891	267,733,028	216,729,918
Advertisement and business promotion	14	(9,268,404)	(229,293)	(188,310)	(187,446,462)	(4,426,818)	(3,575,927)
Administrative expenses	15	(594,142)	(2,461,315)	(3,537,631)	(12,016,072)	(47,519,084)	(67,178,109)
Profit for the period/year		24,282,211	11,176,985	7,687,159	491,089,356	215,787,126	145,975,882
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period/year		24,282,211	11,176,985	7,687,159	491,089,356	215,787,126	145,975,882

The accompanying notes no. 1 to 23 form an integral part of these special purpose financial statements.



Lava Technologies DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates

Translated version of audited statement of changes in equity

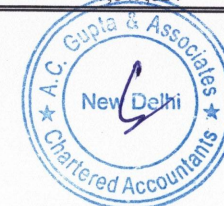
	AED	AED	AED	AED	AED
	Share capital	Retained earnings	Share application money	Shareholder's current account	Total equity
Balance as at March 31, 2018	50,000	4,089,751	-	17,625	4,157,376
Profit for the year	-	7,687,159	-	-	7,687,159
Net movements during the year	18,300,000	-	6,400	-	18,306,400
Balance as at March 31, 2019	18,350,000	11,776,910	6,400	17,625	30,150,935
Profit for the period	-	11,176,985	-	-	11,176,985
Balance as at March 31, 2020	18,350,000	22,953,895	6,400	17,625	41,327,920
Profit for the period	-	24,282,211	-	-	24,282,211
Balance as at March 31, 2021	18,350,000	47,236,106	6,400	17,625	65,610,131

	INR	INR	INR	INR	INR	INR
	Share capital	Retained earnings	Share application money	Shareholder's current account	Foreign Currency Translation Reserve (FCTR)	Total equity
Balance as at March 31, 2018	910,953	71,685,973	-	321,111	454,477	73,372,515
Profit for the year	-	145,975,882	-	-	-	145,975,882
Net movements during the year	338,382,269	-	118,341	-	-	338,500,610
FCTR Change during the Year	-	-	-	-	11,093,106	11,093,106
Balance as at March 31, 2019	339,293,222	217,661,856	118,341	321,111	11,547,583	568,942,113
Profit for the period	-	215,787,126	-	-	-	215,787,126
FCTR Change during the Year	-	-	-	-	63,980,925	63,980,925
Balance as at March 31, 2020	339,293,222	433,448,982	118,341	321,111	75,528,509	848,710,165
Profit for the period	-	491,089,356	-	-	-	491,089,356
FCTR Change during the Year	-	-	-	-	(31,100,482)	(31,100,482)
Balance as at March 31, 2021	339,293,222	924,538,338	118,341	321,111	44,428,026	1,308,699,039



Lava Technologies DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates
Translated version of audited statement of cash flow

	<u>AED</u> <u>Apr 01, 2020 to</u> <u>Mar 31, 2021</u>	<u>AED</u> <u>Apr 01, 2019 to</u> <u>Mar 31, 2020</u>	<u>AED</u> <u>Apr 01, 2018 to</u> <u>Mar 31, 2019</u>	<u>INR</u> <u>Apr 01, 2020 to</u> <u>Mar 31, 2021</u>	<u>INR</u> <u>Apr 01, 2019 to</u> <u>Mar 31, 2020</u>	<u>INR</u> <u>Apr 01, 2018 to</u> <u>Mar 31, 2019</u>
Cash flows from operating activities						
Profit for the period/year	24,282,211	11,176,985	7,687,159	491,089,356	215,787,126	145,975,882
<i>Adjustments for:</i>						
Depreciation on property, plant and equipment	12,259	16,357	21,988	247,929	315,794	417,543
Operating profit before changes in operating assets and liabilities	24,294,470	11,193,342	7,709,147	491,337,285	216,102,921	146,393,425
<i>(Increase)/decrease in current assets</i>						
Inventories	(726,987)	(476,279)	-	(14,500,919)	(9,780,866)	-
Due from related parties	447,717	(368,792)	(11,500,933)	8,930,432	(7,573,513)	(217,020,306)
Trade receivables	(10,556,417)	(13,022,604)	59,801,468	(210,564,627)	(267,432,196)	1,128,441,741
Advances, deposits and other receivables	(9,370,974)	(719,915)	50,000	(186,919,070)	(14,784,174)	943,490
<i>Increase/(decrease) in current liabilities</i>						
Accounts and other payables	(4,838,129)	2,315,611	(74,206,506)	(96,504,224)	47,553,387	(1,400,261,927)
Due to a related party	384,580	1,014,007	(89,934)	7,671,063	20,823,648	(1,697,037)
Net cash (used in) operations	(365,740)	(64,630)	(18,236,758)	(550,060)	(15,090,792)	(343,200,613)
Cash flows from investing activities						
Purchase of property, plant and equipment	-	-	(91,251)	-	-	(1,721,888)
Net Change in investing in equity	-	-	454,686	-	-	8,579,834
Net Cash (used in) investing activities	-	-	363,435	-	-	6,857,946
Cash flows from Financing activities						
Share Capital Introduced	-	-	18,300,000	-	-	345,317,340
Share application money	-	-	6,400	-	-	120,767
Net Cash (used in) financing activities	-	-	18,306,400	-	-	345,438,107
Net (decrease) in cash and cash equivalents	(365,740)	(64,630)	433,077	(550,060)	(15,090,792)	9,095,439
Transalation reserve				(6,970,506)	14,508,137	(906,513)
Cash and cash equivalents, beginning of the period/year	382,247	446,877	13,800	7,849,824	8,432,480	243,553
Cash and cash equivalents, end of the period/year	16,507	382,247	446,877	329,259	7,849,824	8,432,480
Cash and cash equivalents						
Cash at banks	16,507	382,247	446,877	329,259	7,849,824	8,432,480
	16,507	382,247	446,877	329,259	7,849,824	8,432,480



Lava Technologies DMCC
Dubai Multi Commodities Centre
Dubai - United Arab Emirates
Notes to the Translated version of audited special purpose financial statements

1 Legal status and business activities

- 1.1** M/s. Lava Technologies DMCC, Dubai Multi Commodities Centre, Dubai - United Arab Emirates (the "Entity") was registered on February 26, 2017 and operates in the United Arab Emirates under a trading license issued by Dubai Multi Commodities Centre Authority, Dubai - United Arab Emirates.
- 1.2** The Entity is licensed to engage in trading of mobile phones and accessories.
- 1.3** The registered address of the Entity is Unit no. 984, DMCC Business Centre, Level 1, Jewellery & Gemplex 3, Dubai - United Arab Emirates
- 1.4** The management and control are vested with the Director, Mr. Asitava Bose (Indian national).
- 1.5** These special purpose financial statements incorporate the operating results of the trading license no. DMCC-268223.

2 New standards and amendments

2.1 (a) New and revised IFRS effective for accounting period beginning on or after 1st January 2019

The following new and revised IFRS which became effective for annual year beginning on or after January 1, 2019 have been adopted in these financial statements.

- Amendments to IFRS 9 - Financial Instruments
- Amendments to IFRS 16 - Leases
- Amendments to IFRIC 23 - Uncertainty over Income Tax treatments
- Amendments to IAS 28 - Investment in Associates and Joint Ventures
- Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement
- Annual improvement to IFRS Standards 2015-2017 cycle.

2.1 (b) New standards and amendments applicable as on January 1, 2020

The following standards and amendments apply for the first time to the financial reporting periods commencing on or after January 1, 2020.

- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 3 - Definition of a Business
- Amendments to the Conceptual Framework for Financial Reporting
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Amendments to IFRS 16 - Covid-19 Related Rent Concessions

2.2 New standards and amendments issued but not effective for the current annual period

2.2 (a) The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending December 31, 2018.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 17 - Insurance Contracts	January 1, 2021
Definition of Material - Amendments to IAS 1 and IAS 8	January 1, 2020
Definition of a Business - Amendments to IFRS 3	January 1, 2020
Amendments to IFRS 10	Effective date deferred indefinitely adoption is still not permitted.

2.2 (b) The following standards and interpretations had been issued but not yet mandatory for annual reporting periods ending December 31, 2020.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Classification of Liabilities as Current or Non-Current - amendments to IAS 1	January 1, 2022
Property, Plant and Equipment - Proceeds before Intended Use - amendments to IAS 16	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract - amendments to IAS 37	January 1, 2022
IFRS 17 - Insurance Contracts	January 1, 2023

Management anticipates that these new standards, interpretations and amendments will be adopted in the special purpose financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the special purpose financial statements in the period of initial application.



3 Restriction on use and distribution

The Entity's financial year end is December 31 each year and these special purpose financial statements are prepared to comply with the reporting requirements of the Parent Entity for the year ended March 31 each year. Therefore, these special purpose financial statements may not be suitable for any other purpose.

4 Significant accounting policies

4.1 Statement of compliance

The special purpose financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). These special purpose financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity functional and presentation currency.

4.2 Basis of preparation

The special purpose financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these special purpose financial statements are set out below.

4.3 Current/non-current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

4.4 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment, using the reducing balance basis over its useful lives as follows:



4 Significant accounting policies (continued)

4.5 Property, plant and equipment (continued)

	<u>Years</u>
Furniture and fixtures	5
Office equipment	3 - 5

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

4.6 Leases

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Entity.
- the Entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Entity has the right to direct the use of the identified asset throughout the period of use. The Entity assess whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

The Entity applies a single recognition and measurement approach for all leases whereby right-of-use assets and lease liabilities are recognized except for the short-term leases and leases of low-value assets.

Right-of-use assets

The Entity recognizes right-of-use assets at the lease commencement date i.e. the date on which the assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of assets comprise the amount of initial lease liabilities recognised adjusted with any prepayments or accruals, initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and lease payments made at or before the commencement date less any lease incentives received. In addition, the Entity also assesses the right-of-use asset for impairment when such indicators exist.

Depreciation is spread over the shorter of lease term and the estimated useful lives of the assets using straight-line method.

Lease liabilities

At the commencement date, the Entity measures lease liabilities at present value of the lease payments that are not paid at that date. The lease payments include fixed payments less any lease incentives receivable, variable lease payments, amount expected to be paid as guaranteed residual value, the exercise price of a purchase option if the Entity is reasonably certain to exercise that option and payments of penalties for terminating the lease. The Entity uses its incremental borrowing rate if interest rate implicit in the lease is not readily determinable, to measure the present value of lease payments.



Notes to the Translated version of audited special purpose financial statements

4.6 Leases (continued)

Subsequent to initial measurement, the Entity remeasures lease by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount is remeasured if there are modification in lease contracts or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Entity elects not to recognize right-of-use assets and lease liability for short term lease contracts (i.e. lease period less than or equal to

4.7 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

4.8 Financial assets

Classifications

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

- those to be measured subsequently at fair value (either through OCI "FVTOCI", or through profit or loss "FVTPL"), and
- those to be measured at amortised cost.

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

Measurement

At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets comprise of cash and cash equivalents, receivables, due from a related party and other financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivable balances that are held to collect are subsequently measured at the lower of amortized cost or the present value of estimated future cash flows. The present value of estimated future cash flows is determined through the use of value adjustments for uncollectable amounts. The Entity assesses on a forward-looking basis the expected credit losses associated with its receivables and adjusts the value to the expected collectible amounts.



4 Significant accounting policies (continued)

4.8 Financial assets (continued)

Trade receivables (continued)

Trade receivables are written off when they are deemed uncollectible because of bankruptcy or other forms of receivership of the debtors. The assessment of expected credit losses on receivables takes into account credit-risk concentration, collective debt risk based on average historical losses, specific circumstances such as serious adverse economic conditions in a specific country or region and other forward-looking information.

Impairment of financial assets

For trade receivables, due from related parties and other financial assets, the Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

4.9 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include trade and other payables, due to a related party and bank borrowings.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to a related party

Amounts due to a related party is stated at amortised cost.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



4.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4.12 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.13 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from the sale of goods in normal course of business is recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Entity may include fixed or variable amounts which can be impacted by sales returns, trade discounts and volume rebates. Revenue for the sale of goods is recognized when control of the asset is transferred to the buyer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. Revenue is recorded net of value added tax (VAT). A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For products for which a right of return exists during a defined period, revenue recognition is determined based on the historical pattern of actual returns, or in cases where such information is not available, revenue recognition is postponed until the return period has lapsed.



4.14 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4.14 Critical accounting judgements and key sources of estimation uncertainty (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognised in The special purpose financial statements.

Determining the timing of satisfaction of performance obligations - revenue recognition

In making their judgement, the Entity considers the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Entity has transferred control of the goods to the customer. The management is satisfied that control has been transferred and that recognition of revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision as applicable.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives, which are based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Net realisable value of inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the special purpose financial statements.



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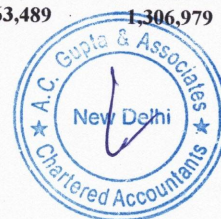
5 Property, plant and equipment

IN AED

Cost	<u>Furniture and fixtures</u>	<u>Office equipment</u>	Total
As at March 31, 2018	-	-	-
Addition	68,135	23,116	91,251
As at March 31, 2019	68,135	23,116	91,251
Addition	-	-	-
As at March 31, 2020	68,135	23,116	91,251
Addition	-	-	-
As at March 31, 2021	68,135	23,116	91,251
Accumulated depreciation			
As at March 31, 2018	-	-	-
Charge for the period	18,135	3,853	21,988
As at March 31, 2019	18,135	3,853	21,988
Charge for the period	10,000	6,357	16,357
As at March 31, 2020	28,135	10,210	38,345
Charge for the period	8,000	4,259	12,259
As at March 31, 2021	36,135	14,469	50,604
Carrying value as at March 31, 2021	32,000	8,647	40,647
Carrying value as at March 31, 2020	40,000	12,906	52,906
Carrying value as at March 31, 2019	50,000	19,263	69,263

(IN INR)

Cost	<u>Furniture and fixtures</u>	<u>Office equipment</u>	Total
As at March 31, 2018	-	-	-
Addition	1,293,855	438,963	1,732,818
Foreign Currency Difference	(8,161)	(2,769)	(10,930)
As at March 31, 2019	1,285,694	436,194	1,721,888
Addition	-	-	-
Foreign Currency Difference	113,527	38,516	152,042
As at March 31, 2020	1,399,220	474,710	1,873,930
Addition	-	-	-
Foreign Currency Difference	(40,159)	(13,625)	(53,783)
As at March 31, 2021	1,359,062	461,086	1,820,147
Accumulated depreciation			
As at March 31, 2018	-	-	-
Charge for the period	344,376	73,167	417,543
Foreign Currency Difference	(2,172)	(461)	(2,634)
As at March 31, 2019	342,204	72,705	414,909
Charge for the period	193,064	122,731	315,794
Foreign Currency Difference	42,513	14,237	56,749
As at March 31, 2020	577,780	209,673	787,452
Charge for the period	161,794	86,135	247,929
Foreign Currency Difference	(18,804)	(7,200)	(26,004)
As at March 31, 2021	720,770	288,607	1,009,378
Carrying value as at March 31, 2021	638,291	172,478	810,769
Carrying value as at March 31, 2020	821,440	265,038	1,086,478
Carrying value as at March 31, 2019	943,490	363,489	1,306,979



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6 Inventories						
Goods held for trading	1,203,266	476,279	-	24,001,066	9,780,866	-
	1,203,266	476,279	-	24,001,066	9,780,866	-
7 Related party transactions						

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related Party Disclosures. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

	AED Apr 01, 2020 to Mar 31, 2021	AED Apr 01, 2019 to Mar 31, 2020	AED Apr 01, 2018 to Mar 31, 2019	INR Apr 01, 2020 to Mar 31, 2021	INR Apr 01, 2019 to Mar 31, 2020	INR Apr 01, 2018 to Mar 31, 2019
a) Due from related parties						
Entity under common management and control						
M/s. Xolo International (HK) Ltd.	11,422,008	11,869,725	11,248,670	227,830,225	243,756,673	212,260,153
M/s. Lava International Limited	-	-	252,263	-	-	4,760,152
	11,422,008	11,869,725	11,500,933	227,830,225	243,756,673	217,020,306

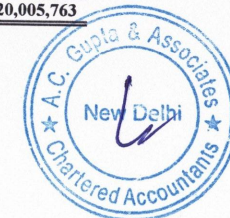
b) Due to a related party						
Entity under common management and control						
M/s. Lava International Limited	1,763,339	1,378,759	364,752	35,172,618	28,314,195	6,882,797

	AED Apr 01, 2020 to Mar 31, 2021	AED Apr 01, 2019 to Mar 31, 2020	AED Apr 01, 2018 to Mar 31, 2019	INR Apr 01, 2020 to Mar 31, 2021	INR Apr 01, 2019 to Mar 31, 2020	INR Apr 01, 2018 to Mar 31, 2019
c) Transactions with related parties						
Sale of Goods						
Support services fee paid by Parent Entity	384,579	1,014,007	364,752	7,777,819	19,576,805	6,926,485
Purchase of goods and services from Parent Entity	-	4,861,999	252,263	-	93,867,603	4,790,367
	384,579	5,876,006	617,015	7,777,819	113,444,408	11,716,852

8 Trade receivables						
Trade receivables (Outside U.A.E)	45,837,114	35,280,697	22,258,093	914,294,578	724,524,394	420,005,763
	45,837,114	35,280,697	22,258,093	914,294,578	724,524,394	420,005,763

Ageing of receivables that are past due but not impaired:

1 -30 days	45,837,114	16,115,207	6,989,039	914,294,578	330,941,891	131,881,768
31 - 90 days	-	19,165,490	13,989,879	-	393,582,503	263,986,219
Above 90 days	-	-	1,279,175	-	-	24,137,776
	45,837,114	35,280,697	22,258,093	914,294,578	724,524,394	420,005,763



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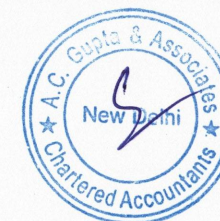
8 Trade receivables (continued)

Impairment of trade receivables

The Entity applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected losses allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. As at the reporting date, the management estimates expected credit loss to be immaterial.

	AED Apr 01, 2020 to Mar 31, 2021	AED Apr 01, 2019 to Mar 31, 2020	AED Apr 01, 2018 to Mar 31, 2019	INR Apr 01, 2020 to Mar 31, 2021	INR Apr 01, 2019 to Mar 31, 2020	INR Apr 01, 2018 to Mar 31, 2019
9 Advances, deposits and other receivables						
Advances to suppliers	10,043,369	672,396	-	200,331,064	13,808,324	-
Staff loans and advances	47,520	47,519	-	947,862	975,850	-
Deposit	1,000	1,000	1,000	19,947	20,536	18,870
	10,091,889	720,915	1,000	201,298,873	14,804,710	18,870
10 Bank balances						
Cash at banks	16,507	382,247	446,877	329,259	7,849,824	8,432,480
	16,507	382,247	446,877	329,259	7,849,824	8,432,480

Management has concluded that the Expected Credit Loss (ECL) for all bank balances is immaterial as these balances are held with banks/financial institutions whose credit risk rating by international rating agencies has been assessed as low.



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11 Accounts and other payables						
Accounts payable	210,773	328,199	-	4,204,205	6,739,895	-
Accruals and provisions	660,188	513,771	1,082,668	13,168,506	10,550,801	20,429,729
Advances from customers	367,000	5,234,120	2,677,811	7,320,402	107,487,888	50,529,758
	1,237,961	6,076,090	3,760,479	24,693,113	124,778,584	70,959,487

	AED Apr 01, 2020 to Mar 31, 2021	AED Apr 01, 2019 to Mar 31, 2020	AED Apr 01, 2018 to Mar 31, 2019	INR Apr 01, 2020 to Mar 31, 2021	INR Apr 01, 2019 to Mar 31, 2020	INR Apr 01, 2018 to Mar 31, 2019
12 Revenue						
Revenue from contracts with customers	448,494,200	290,079,430	190,374,279	9,070,456,060	5,600,383,880	3,615,126,649

Disaggregated revenue information

Set out below is the disaggregation of the Entity's revenue from contracts with customers.

Segments

Type of services

Sale of goods

Sale of goods	448,494,200	290,079,430	190,374,279	9,070,456,060	5,600,383,880	3,615,126,649
Total revenue from contracts with customers	448,494,200	290,079,430	190,374,279	9,070,456,060	5,600,383,880	3,615,126,649

Geographical markets

Within U.A.E.

Outside U.A.E.

Within U.A.E.	-	-	9,259,788	-	-	175,839,439
Outside U.A.E.	448,494,200	290,079,430	181,114,491	9,070,456,060	5,600,383,880	3,439,287,210
Total revenue from contracts with customers	448,494,200	290,079,430	190,374,279	9,070,456,060	5,600,383,880	3,615,126,649

Performance obligations

Information about the Entity's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied at a point in time on delivery of goods to the customers' premises.



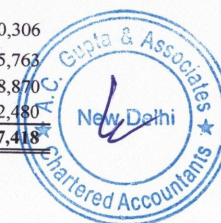
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	AED Apr 01, 2020 to Mar 31, 2021	AED Apr 01, 2019 to Mar 31, 2020	AED Apr 01, 2018 to Mar 31, 2019	INR Apr 01, 2020 to Mar 31, 2021	INR Apr 01, 2019 to Mar 31, 2020	INR Apr 01, 2018 to Mar 31, 2019
13						
Cost of revenue						
Purchases including direct costs	414,349,443	276,211,837	178,961,179	8,379,904,168	5,332,650,852	3,398,396,731
14						
Advertisement and business promotion						
Advertisement and business promotion	9,268,404	229,293	188,310	187,446,462	4,426,818	3,575,927
15						
Administrative expenses						
Salaries and other related benefits	447,811	1,753,883	3,435,174	9,056,639	33,861,133	65,232,494
Legal and professional expenses	119,127	596,537	49,574	2,409,253	11,516,970	941,389
Rent Expenses	-	-	22,296	-	-	423,392
Depreciation on property, plant and equipment (note 5)	12,259	16,357	21,988	247,929	315,794	417,543
Bank charges	14,945	24,460	7,464	302,251	472,234	141,738
Misc expenses	-	70,078	1,135	-	1,352,953	21,553
	594,142	2,461,315	3,537,631	12,016,072	47,519,084	67,178,109
16						
Financial instruments						
a) <i>Significant accounting policies</i>						
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 4 to the special purpose financial statements.						
b)						
Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.						

	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	Apr 01, 2018 to Mar 31, 2019	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	IN AED Apr 01, 2018 to Mar 31, 2019
Financial assets						
		Carrying Value			Fair Value	
Due from related parties	11,422,008	11,869,725	11,500,933	11,422,008	11,869,725	11,500,933
Trade receivables	45,837,114	35,280,697	22,258,093	45,837,114	35,280,697	22,258,093
Deposits and other receivables	48,520	48,519	1,000	48,520	48,519	1,000
Bank balances	16,507	382,247	446,877	16,507	382,247	446,877
	57,324,149	47,581,188	34,206,903	57,324,149	47,581,188	34,206,903

	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	Apr 01, 2018 to Mar 31, 2019	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	IN INR Apr 01, 2018 to Mar 31, 2019
Financial assets						
		Carrying Value			Fair Value	
Due from related parties	227,830,225	243,756,673	217,020,306	227,830,225	243,756,673	217,020,306
Trade receivables	914,294,578	724,524,394	420,005,763	914,294,578	724,524,394	420,005,763
Deposits and other receivables	967,809	996,386	18,870	967,809	996,386	18,870
Bank balances	329,259	7,849,824	8,432,480	329,259	7,849,824	8,432,480
	1,143,421,870	977,127,277	645,477,418	1,143,421,870	977,127,277	645,477,418



16 Financial instruments (continued)

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis (continued)

	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	Apr 01, 2018 to Mar 31, 2019	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	IN AED Apr 01, 2018 to Mar 31, 2019
Financial liabilities		Carrying Value			Fair Value	
Due to a related party	1,763,339	1,378,759	364,752	1,763,339	1,378,759	364,752
Accounts and other payables	920,489	841,970	1,082,668	920,489	841,970	1,082,668
	2,683,828	2,220,729	1,447,420	2,683,828	2,220,729	1,447,420

	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	Apr 01, 2018 to Mar 31, 2019	Apr 01, 2020 to Mar 31, 2021	Apr 01, 2019 to Mar 31, 2020	IN INR Apr 01, 2018 to Mar 31, 2019
Financial liabilities		Carrying Value			Fair Value	
Due to a related party	35,172,618	28,314,195	6,882,797	35,172,618	28,314,195	6,882,797
Accounts and other payables	18,360,626	17,290,696	20,429,729	18,360,626	17,290,696	20,429,729
	53,533,244	45,604,891	27,312,526	53,533,244	45,604,891	27,312,526

Financial instruments comprise of financial assets and financial liabilities.

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 knowledgeable and willing parties.

Financial assets consist of bank balances, due from a related party, trade receivables, deposits and other receivables. Financial liabilities consist of accounts and other payables and due to a related party.

As at the reporting date, financial assets and financial liabilities approximate their carrying values.

17 Financial risk management objectives

The Entity management has set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity's policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

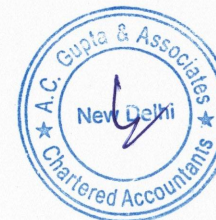
There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign currency risk management

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.



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17 Financial risk management objectives (continued)

b) Interest rate risk management

As at the reporting date, there is no significant interest rate risk as there are no borrowings at period end.

c) Liquidity risk management

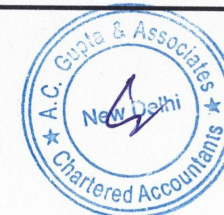
Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity has access to interest free loans from its shareholder at its disposal to further reduce liquidity risk.

Liquidity and interest risk table:

The table below summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the financial position date based on contractual repayment arrangements were shown as follows:

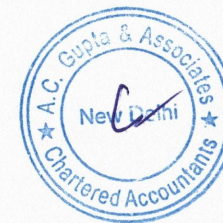
Particulars	Interest bearing			Non Interest bearing			IN AED
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at March 31, 2021						
Financial assets							
Due from related parties	-	-	-	-	11,422,008	-	11,422,008
Trade receivables	-	-	-	-	45,837,114	-	45,837,114
Deposits and other receivables	-	-	-	-	48,520	-	48,520
Bank balances	-	-	-	16,507	-	-	16,507
	-	-	-	16,507	57,307,642	-	57,324,149
Financial liabilities							
Due to a related party	-	-	-	-	1,763,339	-	1,763,339
Accounts and other payables	-	-	-	-	870,961	-	870,961
	-	-	-	-	2,634,300	-	2,634,300



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Particulars	Interest bearing			Non Interest bearing			IN INR
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
As at March 31, 2021							
Financial assets							
Due from related parties	-	-	-	-	227,830,225	-	227,830,225
Trade receivables	-	-	-	-	914,294,578	-	914,294,578
Deposits and other receivables	-	-	-	-	967,809	-	967,809
Bank balances	-	-	-	329,259	-	-	329,259
	-	-	-	329,259	1,143,092,612	-	1,143,421,870
Financial liabilities							
Due to a related party	-	-	-	-	35,172,618	-	35,172,618
Accounts and other payables	-	-	-	-	17,372,711	-	17,372,711
	-	-	-	-	52,545,328	-	52,545,328



17 Financial risk management objectives (continued)
Liquidity risk management (continued)
Liquidity and interest risk table (continued)

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
	As at March 31, 2020						
Financial assets							
Due from related parties	-	-	-	-	11,869,725	-	11,869,725
Trade receivables	-	-	-	-	35,280,697	-	35,280,697
Deposits and other receivables	-	-	-	-	48,519	-	48,519
Bank balances	-	-	-	382,247	-	-	382,247
	-	-	-	382,247	47,198,941	-	47,581,188
Financial liabilities							
Due to a related party	-	-	-	-	1,378,759	-	1,378,759
Accounts and other payables	-	-	-	-	841,970	-	841,970
	-	-	-	-	2,220,729	-	2,220,729

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
	As at March 31, 2020						
Financial assets							
Due from related parties	-	-	-	-	243,756,673	-	243,756,673
Trade receivables	-	-	-	-	724,524,394	-	724,524,394
Deposits and other receivables	-	-	-	-	996,386	-	996,386
Bank balances	-	-	-	7,849,824	-	-	7,849,824
	-	-	-	7,849,824	969,277,452	-	977,127,277
Financial liabilities							
Due to a related party	-	-	-	-	28,314,195	-	28,314,195
Accounts and other payables	-	-	-	-	17,290,696	-	17,290,696
	-	-	-	-	45,604,891	-	45,604,891

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
	As at March 31, 2019						
Financial assets							
Due from related parties	-	-	-	-	11,500,933	-	11,500,933
Trade receivables	-	-	-	-	22,258,093	-	22,258,093
Deposits and other receivables	-	-	-	-	1,000	-	1,000
Bank balances	-	-	-	446,877	-	-	446,877
	-	-	-	446,877	33,760,026	-	34,206,903
Financial liabilities							
Due to a related party	-	-	-	-	364,752	-	364,752
Accounts and other payables	-	-	-	-	1,082,668	-	1,082,668
	-	-	-	-	1,447,420	-	1,447,420



Particulars	Interest bearing			Non Interest bearing			IN INR Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
	As at March 31, 2019						
Financial assets							
Due from related parties	-	-	-	-	217,020,306	-	217,020,306
Trade receivables	-	-	-	-	420,005,763	-	420,005,763
Deposits and other receivables	-	-	-	-	18,870	-	18,870
Bank balances	-	-	-	8,432,480	-	-	8,432,480
	-	-	-	8,432,480	637,044,939	-	645,477,418
Financial liabilities							
Due to a related party	-	-	-	-	6,882,797	-	6,882,797
Accounts and other payables	-	-	-	-	20,429,729	-	20,429,729
	-	-	-	-	27,312,526	-	27,312,526

d) **Credit risk management**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on trade and other receivables are disclosed in notes 8 and 9 to the special purpose financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the special purpose financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

18 **Capital risk management**

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance.

The capital structure of the Entity consists of equity comprising, share capital, retained earnings, share application money and current account as disclosed in the special purpose financial statements.

19 **Contingent liabilities**

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's special purpose financial statements as of reporting date.

20 **Commitments**

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's special purpose financial statements as of reporting date.

21 **Subsequent events**

Subsequent to the reporting date, the outbreak of Covid-19 may have a potential disruption to the Entity's business. As the situation is fast evolving, the effect of the outbreak of Covid-19 is subject to significant levels of uncertainty, with the full range of possible effects on business is unknown on the date of the approval of the special purpose financial statements.

22 **Comparative amounts**

Previous year's figures comprises of twelve months whereas, the current period's figures are for nine months. Hence, these previous year's figures are strictly not comparable with current period's figures.

23 **Reclassification**

Certain amounts for the previous year were reclassified to conform to current period's presentation. However, such reclassifications do not have any impact on the Entity's previously reported profit or equity.

