

1908 E-Ventures Private Limited
Balance Sheet as at 31st March, 2020
[Currency: Indian Rupees(Rs.)]

	Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
I	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	3	6,94,465	8,16,857
	(b) Intangible assets	3	1,04,763	3,04,327
	(c) Deferred tax Assets (Net)	4	81,65,446	82,34,141
	(d) Non-current financial assets	5	4,74,594	8,68,428
	(e) Other non-current tax assets	6	4,58,647	66,077
	(f) Other non-current assets	7	15,133	79,481
			99,13,048	1,03,69,311
(2)	Current assets			
	(a) Inventories	8	74,12,151	95,27,923
	(b) Financial Assets			
	(i) Trade receivables	9	34,65,198	35,47,183
	(ii) Cash and cash equivalents	10	8,95,556	2,02,552
	(iii) Other current financial assets	11	1,81,851	80,093
	(c) Other current assets	12	38,65,479	29,51,392
			1,58,20,235	1,63,09,143
	Total Assets		2,57,33,283	2,66,78,454
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	13	1,80,41,150	1,05,25,000
	(b) Other Equity	14	(5,71,52,023)	(4,20,88,686)
			(3,91,10,873)	(3,15,63,686)
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Long-term borrowings	15	2,23,97,242	2,40,00,000
	(b) Long-term provisions	16	10,23,460	4,58,309
			2,34,20,702	2,44,58,309
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Short-term borrowings	17	2,73,80,316	2,32,65,366
	(ii) Other trade payables	18	1,07,33,022	95,64,518
	(iii) Other current financial liabilities	19	30,48,239	7,63,722
	(b) Short-term provisions	20	2,61,877	1,90,225
			4,14,23,454	3,37,83,831
	Total Equity and Liabilities		2,57,33,283	2,66,78,454
	The accompanying notes are integral part of the financial statements (all amounts in Rupees)			
	In terms of our report on even date attached			

For Sunil Modi & Co
Chartered Accountants
Firm Registration No. 142806W

For and on behalf of the Board of Directors

Sunil Modi
Partner
Membership No. 042562

Deep A. Lalvani
Chairman
DIN: 01771000

Tanya Advani
Director
DIN: 08586636

Place : Mumbai
Date : 19th June 2020

Place : Mumbai
Date : 19th June 2020

1908 E-Ventures Private Limited
Statement of Profit and Loss
For the year ended 31st March, 2020
[Currency: Indian Rupees(Rs.)]

Particulars	Notes	2019-20	2018-19
Revenue from operations	22	1,76,01,054	1,29,20,433
Other income	23	49,70,563	6,79,503
Total income		2,25,71,617	1,35,99,936
Expenses			
Purchases of Stock-in-Trade	24	1,49,32,034	1,43,05,845
Changes in inventories	25	21,15,772	(35,32,943)
Employee benefits expense	26	1,04,96,973	74,57,843
Finance costs	27	51,90,448	30,82,607
Depreciation and amortisation expense	3	5,86,287	5,66,815
Other expenses	28	1,66,69,864	95,86,253
Total expenses		4,99,91,378	3,14,66,420
Profit before exceptional items and tax		(2,74,19,761)	(1,78,66,484)
Exceptional items		-	-
Profit before tax		(2,74,19,761)	(1,78,66,484)
Tax expense			
(1) Current tax		-	-
(2) Deferred tax asset/(liability)		(68,695)	(45,57,398)
Profit for the year		(2,74,88,456)	(2,24,23,882)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		(1,66,986)	(15,826)
Income tax relating to items not reclassified		-	-
Items that will be reclassified subsequently to profit or loss			
Income tax relating to items that will be reclassified		-	-
Total comprehensive income for the year		(2,76,55,442)	(2,24,39,708)
Earnings per share	29		
Basic earnings (loss) per share		(25.57)	(24.66)
Diluted earnings (loss) per share		(23.39)	(21.59)
The accompanying notes are integral part of the financial statements (all amounts in rupees)			
In terms of our report on even date attached			

For Sunil Modi & Co
Chartered Accountants
Firm Registration No. 142806W

For and on behalf of the Board of Directors

Sunil Modi
Partner
Membership No. 042562

Deep A. Lalvani
Chairman
DIN: 01771000

Tanya Advani
Director
DIN: 08586636

Place : Mumbai
Date : 19th June 2020

Place : Mumbai
Date : 19th June 2020

1908 E-Ventures Private Limited
Statement of Changes in Equity
For the year ended 31st March, 2020
[Currency: Indian Rupees(Rs.)]

A. Equity share capital

Particulars	2019-20		2018-19	
	Number of Shares	Amount in Rupees	Number of Shares	Amount in Rupees
Balance as at 1 April 2019	10,52,500	1,05,25,000	10,52,500	1,05,25,000
Add: Shares issued on exercise of employee stock options during the year	47,000	4,70,000	-	-
Add: Shares issued on conversion of Convertible debenture during the year	3,20,000	32,00,000	-	-
Add: Shares issued on conversion of ICD during the year	3,84,615	38,46,150	-	-
Balance as at the end of the year	18,04,115	1,80,41,150	10,52,500	1,05,25,000

B. Other equity

Particulars	Reserves and surplus			Total equity
	Retained earnings	Securities premium	Employee share options (net)	
	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April 2019	(4,21,79,735)	-	91,049	(4,20,88,686)
Profit for the year	(2,74,88,456)	-	-	(2,74,88,456)
Issue of equity shares	-	1,09,53,840	-	1,09,53,840
Transfer from/to general reserve/retained earnings during the year	9,19,105	-	(9,19,105)	-
Employee stock options (net)	-	-	16,38,265	16,38,265
Other comprehensive income	(1,66,986)	-	-	(1,66,986)
Total comprehensive income for the year	(2,67,36,337)	1,09,53,840	7,19,160	(1,50,63,337)
Balance as at 31 March 2020	(6,89,16,072)	1,09,53,840	8,10,209	(5,71,52,023)
Balance as at 1 April 2018	(1,97,33,185)	-	-	(1,97,33,185)
Profit for the year	(2,24,23,882)	-	-	(2,24,23,882)
Issue of equity shares	-	-	-	-
Employee stock options (net)	-	-	91,049	91,049
Other comprehensive income	(22,668)	-	-	(22,668)
Total comprehensive income for the year	(2,24,46,550)	-	91,049	(2,23,55,501)
Balance as at 31 March 2019	(4,21,79,735)	-	91,049	(4,20,88,686)

The accompanying notes are integral part of the financial statements (all amounts in Rupees)
In terms of our report on even date attached

For Sunil Modi & Co
Chartered Accountants
Firm Registration No. 142806W

For and on behalf of the Board of Directors

Sunil Modi
Partner
Membership No. 042562

Deep A. Lalvani
Chairman
DIN: 01771000

Tanya Advani
Director
DIN: 08586636

Place : Mumbai
Date : 19th June 2020

Place : Mumbai
Date : 19th June 2020

1908 E-Ventures Private Limited
Cash flow statement for the year ended 31st March, 2020

[Currency: Indian Rupees(Rs.)]

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash flow from operating activities		
Net Profit before tax	(2,74,19,761)	(1,78,66,484)
Adjustments for:		
Depreciation and amortisation expense	5,86,287	5,66,815
Interest income	(42,468)	(39,268)
Exchange gain	-	(1,27,363)
Provision for Gratuity	46,293	30,414
Provision for Leave encashment	3,92,905	1,77,502
Employee stock options	16,38,265	91,049
Sundry balances written back/written-off	(3,68,172)	(47,885)
Operating profit before working capital changes	(2,51,66,651)	(1,72,15,220)
Adjustment for:		
Decrease/ (Increase) in inventories	21,15,772	(35,32,943)
Decrease/ (Increase) in trade receivable	81,985	(16,31,408)
Decrease/ (Increase) in long term loans and advances and other receivables	65,612	(5,11,197)
Decrease/ (Increase) in other assets and receivables	(10,15,845)	(18,35,979)
(Decrease)/Increase in trade and other payables	38,51,812	30,67,739
Cash generated from operations	(2,00,67,315)	(2,16,59,008)
Income tax refund/(paid)	-	-
Net cash (used in)/ generated from operating activities	(2,00,67,315)	(2,16,59,008)
B. Cash flow from investing activities		
Acquisition of fixed assets and capital work in progress	(2,64,331)	(2,73,609)
Proceeds from sale of investments	-	-
Interest income on fixed deposits and other advances	42,468	39,268
Net cash (used in)/ generated from investing activities	(2,21,863)	(2,34,341)
C. Cash flow from financing activities		
Proceeds from issuance of Debentures	-	1,60,00,000
Proceeds from issuance of Inter corporate deposits	63,97,242	-
Proceeds from issuance of Equity shares	1,04,69,990	-
Proceeds from Short term borrowings	41,14,950	59,51,056
Net cash (used in)/ generated from financing activities	2,09,82,182	2,19,51,056
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	6,93,004	57,707
Cash and cash equivalents as at the beginning of year	2,02,552	1,44,845
Cash and cash equivalents at the end of year	8,95,556	2,02,552
Components of cash and cash equivalents (Also, refer note 10)		
Cash in hand	1,44,540	16,475
Balance with scheduled banks in current accounts	7,51,016	1,86,077
Total	8,95,556	2,02,552

This is the Cash flow statement referred to in our audit report of even date

For Sunil Modi & Co

Chartered Accountants

Firm Registration No. 142806W

For and on behalf of the Board of Directors
Sunil Modi

Partner

Membership No. 042562

Deep A. Lalvani

Chairman

DIN: 01771000

Tanya Advani

Director

DIN: 08586636

Place : Mumbai

Date : 19th June 2020

Place : Mumbai

Date : 19th June 2020

1 Company information

- (a) 1908 E-Ventures Pvt. Ltd. is a private limited company incorporated under the provision of the Companies Act, 2013. The Company was promoted & incorporated by M/s. J.B. Advani & Company Pvt. Ltd. and M/s. Ador Multiproducts Ltd. with the stake of 60 % & 40 % respectively on 18th August 2015 to carry on the business to create an e-commerce platform - both website based & mobile application based that will showcase, display and sell multiple brands and provide all e-commerce based trading of consumer goods.

1908 E-Ventures Pvt. Ltd. (the Company) is a private limited company and was incorporated in 2015. The registered and corporate office of the company is situated at 5th floor, Ador House, 6K Dubash Marg, Fort, 6, K Dubash Marg, Kala Ghoda, Fort, Mumbai, Maharashtra 400001.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Basis of preparation and compliance with Ind AS

- (i) For all periods upto and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles in India (IGAAP) and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended), to the extent applicable and the presentation requirements of the Companies Act, 2013.
- (ii) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 (as amended) of the Act (collectively, "Ind AS") with effect from 1 April, 2017.

(b) Critical estimates and judgements

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

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.

Useful lives of property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgement is involved in arriving at the deferred tax assets and liabilities, which is based on the Company's current operations and projections for the future.

Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used as disclosed in Note 32

(c) Basis of measurement

The Ind AS financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

Fair value measurement

The Company measures certain financial assets and liabilities at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (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 fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Notes to the financial statements

(d) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency.

2.2 SIGNIFICANT ACCOUNTING POLICIES

(a) Income Recognition - Revenue recognition as per Ind AS 115 with effect from 1 April 2018

The below accounting policy for revenue recognition for year ended March 2018 is as per Ind AS 18.

(i) Revenue from sale of goods

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of the goods sold are transferred to the customer which generally coincides with delivery.

(ii) Revenue from Services

In contract involving rendering of services, revenue is recognised using the proportionate completion method in line with agreements / arrangements with concerned parties and is net of goods and service tax. Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.

(iii) Revenue from Contracts

Revenue from fixed price contracts is recognised using the percentage of completion method. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date of the total estimated contract costs. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and costs on a regular basis throughout the delivery period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

(iv) Interest income

Interest income is accounted on accrual basis in time proportion. Interest income is recognised using effective rate of interest method.

(v) Dividend income

Dividend income is recognised as and when the right to receive payment is established.

(b) Property, Plant and Equipment

(i) Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Freehold land is carried at historical cost. All other items of Property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

The Company provides depreciation on all assets on written down value basis over its useful life of asset which is in line with Schedule II of Companies Act, 2013.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised till the time asset is available for use for operating at normal levels. Revenue generated from production during the trial period is credited to capital work in progress.

(iii) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured under IGAAP as the deemed cost of investment properties.

Notes to the financial statements

(iv) Depreciation

Depreciation is provided on a pro-rata basis on the Written down value (WDV) method based on useful life as estimated by the Management and aligned to Schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets. Depreciation on assets acquired under finance lease is spread over the lease period or useful life, whichever is shorter.

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life determined by the management and aligned to the schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant spare parts 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.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

(c) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods: Computer Software - 3 to 5 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the intangible assets.

Intangible assets are amortised on a Straight Line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

(d) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (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

Subsequent measurement of financial assets is described below -

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Notes to the financial statements

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Notes to the financial statements

Financial Assets - Derecognition

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

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. 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 assets and risk exposure, the Company determines that whether there has been a significant increase in the 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. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- (i) Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- (ii) Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of Profit and Loss.
- (iii) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities - Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through statement of profit and loss

Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Notes to the financial statements

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through statement of profit and loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities - Derecognition

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

Offsetting of financial instruments

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

For more information on financial instruments Refer note no. 34.

(e) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(g) Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(h) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Notes to the financial statements

(i) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- (a) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis.
- (b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable 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.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

(j) Taxation

Current income tax

Current income 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 those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is 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 relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(k) Employee benefit schemes

(a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly to statement of profit and loss.

(b) Post-employment benefits

(i) Defined contribution plan

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation and Labour Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan.

Notes to the financial statements

(ii) Defined benefit plans

Gratuity

The Company has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The liability so provided is paid to the Life Insurance Corporation of India (LIC). Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the statement of profit and loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Provident Fund

Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Contributions to defined contribution schemes are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no further defined obligations beyond the monthly contributions.

(l) Provision for liabilities and charges, Contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(m) Foreign currency transactions

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities are translated at the closing rate on the balance sheet date
- (b) Income and expenses are translated at the average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of transaction)
- (c) All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(n) Earnings per share

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

(o) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments.

Notes to the financial statements

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

(p) Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss.

Rentals payable under operating leases are charged to the statement of profit and loss 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.

The 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. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease, unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the inflationary cost increases.

(q) Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve/ retained earnings within equity.

(r) Product Warranty

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

(This space has been left intentionally blank)

3. Property Plant & Equipment

	Gross block - at cost					Depreciation/ Amortisation					Net block
Particulars	As at 1 April 2019	Additions	Adjustments	Deductions	As at 31 March 2020	As at 1 April 2019	For the year	Adjustments	Deductions	As at 31 March 2020	As at 31 March 2020
Tangible assets											
Computers	3,98,846	1,13,978	-	-	5,12,824	3,58,061	78,345	-	-	4,36,406	76,418
Furniture and fixtures	9,93,947	-	-	-	9,93,947	4,74,898	1,34,374	-	-	6,09,272	3,84,675
Electrical installations	1,68,499	-	-	-	1,68,499	93,982	19,293	-	-	1,13,275	55,224
Office equipments	4,87,260	1,25,353	-	-	6,12,613	3,04,754	1,29,711	-	-	4,34,465	1,78,148
Total	20,48,552	2,39,331	-	-	22,87,883	12,31,695	3,61,723	-	-	15,93,418	6,94,465
	Gross block - at cost					Depreciation/ Amortisation					Net block
Particulars	As at 1 April 2018	Additions	Adjustments	Deductions	As at 31 March 2019	As at 1 April 2018	For the year	Adjustments	Deductions	As at 31 March 2019	As at 31 March 2019
Tangible assets											
Computers	3,98,846	-	-	-	3,98,846	3,15,447	42,614	-	-	3,58,061	40,785
Furniture and fixtures	8,21,999	1,71,948	-	-	9,93,947	3,82,195	92,703	-	-	4,74,898	5,19,049
Electrical installations	1,68,499	-	-	-	1,68,499	78,283	15,699	-	-	93,982	74,517
Office equipments	4,01,277	85,983	-	-	4,87,260	2,01,553	1,03,201	-	-	3,04,754	1,82,506
Total	17,90,621	2,57,931	-	-	20,48,552	-	2,54,217	-	-	12,31,695	8,16,857
	Gross block - at cost					Depreciation/ Amortisation					Net block
Particulars	As at 1 April 2019	Additions	Adjustments	Deductions	As at 31 March 2020	As at 1 April 2019	For the year	Adjustments	Deductions	As at 31 March 2020	As at 31 March 2020
Intangible assets											
Computer software	2,59,438	25,000	-	-	2,84,438	1,36,790	42,885	-	-	1,79,675	1,04,763
Website Development	9,27,056	-	-	-	9,27,056	7,45,377	1,81,679	-	-	9,27,056	-
Total	11,86,494	25,000	-	-	12,11,494	8,82,167	2,24,564	-	-	11,06,731	1,04,763
	Gross block - at cost					Depreciation/Amortisation					Net block
Particulars	As at 1 April 2018	Additions	Adjustments	Deductions	As at 31 March 2019	As at 1 April 2018	For the year	Adjustments	Deductions	As at 31 March 2019	As at 31 March 2019
Intangible assets											
Computer software	2,43,760	15,678	-	-	2,59,438	67,096	69,694	-	-	1,36,790	1,22,648
Website Development	9,27,056	-	-	-	9,27,056	5,02,473	2,42,904	-	-	7,45,377	1,81,679
Total	11,70,816	15,678	-	-	11,86,494	5,69,569	3,12,598	-	-	8,82,167	3,04,327



1908 E-Ventures Private Limited
Notes forming part of the financial statements
[Currency: Indian Rupees(Rs.)]

4 Deferred tax Assets (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax asset arising on account of (A)		
Opening DTA	82,34,141	1,27,91,539
Timing difference between book depreciation and depreciation as per Income Tax Act ,1961	-	-
Employees benefit expenses	-	-
Brought forward depreciation / Unabsorbed losses	-	(44,88,703)
Preliminary expenses	(68,695)	(68,695)
Others	-	-
	81,65,446	82,34,141
Deferred tax liability arising on account of (B)		
Others	-	-
Total	81,65,446	82,34,141

The Company has not recognized deferred tax asset on unabsorbed depreciation & carried forward business losses under tax laws and other temporary differences in view that it not probable that taxable profits will be available against which the deductible temporary differences can be utilized.

Unused tax losses, unabsorbed depreciation and temporary differences on which no deferred tax asset is recognised in Balance Sheet

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax asset arising on account of (A)		
Unabsorbed Tax depreciation	20,388	-
Unused Tax Losses	54,13,552	46,29,525
Temporary differences	86,279	53,538
Remeasurement of net defined benefit liability (OCI)	38,240	4,075
Total	55,58,459	46,87,138

Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961.

The tax benefits for the losses would expire if not utilised starting from financial year 2026-27 to 2027-28.

5 Non current financial assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deposit with maturity more than 12 months from reporting date	1,00,000	1,00,000
Deposit with statutory authorities	25,000	25,000
Security and other deposits*	3,49,594	7,43,428
Total	4,74,594	8,68,428
*Comprises of Security deposit given to related parties:		
J.B.Advani & Co Private Limited	1,50,000	1,50,000

6 Other non-current tax assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income Tax (Net of Provision)	4,58,647	66,077
Total	4,58,647	66,077

7 Other non-current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good:		
Deferred notional rent expense	15,133	79,481
Total	15,133	79,481

8 Inventories

Particulars	As at 31st March, 2020	As at 31st March, 2019
Stock in trade	74,12,151	95,27,923
Total	74,12,151	95,27,923

1908 E-Ventures Private Limited
Notes forming part of the financial statements

9 Trade receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Considered good	34,65,198	35,47,183
Considered doubtful	-	-
	34,65,198	35,47,183
Less: Provision for doubtful debts	-	-
Total	34,65,198	35,47,183

10 Cash and cash equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with banks in:		
Balance with scheduled banks		
- current accounts	7,51,016	1,86,077
Cash in hand	1,44,540	16,475
	8,95,556	2,02,552
Other bank balances		
Deposit with maturity of more than 3 months but less than 12 months from reporting date	-	-
	-	-
Total	8,95,556	2,02,552

11 Other current financial assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest accrued but not due	6,851	5,093
Loans and advances to employees	1,75,000	75,000
Total	1,81,851	80,093

12 Other current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Prepaid expenses	5,77,329	3,23,721
Other advances	32,55,694	26,19,849
Current portion of deferred notional rent expense	32,456	7,822
Total	38,65,479	29,51,392

13 Equity share capital

Authorised

Particulars	Number of equity shares	Amount in Rs. (at par value)
Equity shares of INR 10 each		
As at 01 April 2019	50,00,000	5,00,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2020	50,00,000	5,00,00,000
Particulars	Number of equity shares	Amount in Rs. (at par value)
Equity shares of INR 10 each		
As at 01 April 2018	50,00,000	5,00,00,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	50,00,000	5,00,00,000

1908 E-Ventures Private Limited
Notes forming part of the financial statements

Issued, Subscribed and fully paid up		
Particulars	Number of equity shares	Amount in Rs. (at par value)
Equity shares of INR 10 each		
As at 01 April 2019	10,52,500	1,05,25,000
Increase/(decrease) during the year	7,51,615	75,16,150
As at 31st March, 2020	18,04,115	1,80,41,150

Particulars	Number of equity shares	Amount in Rs. (at par value)
Equity shares of INR 10 each		
As at 01 April 2018	10,52,500	1,05,25,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	10,52,500	1,05,25,000

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of equity shares	Amount in Rs. (at par value)
Equity shares of INR 10 each		
As at 01 April 2019	10,52,500	1,05,25,000
Increase/(decrease) during the year		
Add: Shares issued on exercise of employee stock options during the year	47,000	4,70,000
Add: Shares issued on conversion of Convertible debenture during the year	3,20,000	32,00,000
Add: Shares issued on conversion of ICD during the year	3,84,615	38,46,150
As at 31st March, 2020	18,04,115	1,80,41,150

Particulars	Number of equity shares	Amount in Rs. (at par value)
Equity shares of INR 10 each		
As at 01 April 2018	10,52,500	1,05,25,000
Increase/(decrease) during the year	-	-
As at 31st March, 2019	10,52,500	1,05,25,000

b). Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c). Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity shares of Rs 10 each, fully paid up		
Ador Multiproducts Ltd.		
Number	11,04,615	4,00,000
% Holding	61.23%	38.00%
J.B.Advani & Company Pvt. Ltd.		
Number	6,00,000	6,00,000
% Holding	33.26%	57.01%

d). Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Employee stock options granted and outstanding #		
Number	1,00,000	1,50,000
Rupees (at face value)*	10,00,000	15,00,000
9.5% Compulsory convertible debentures ##		
Number**	4,57,143	7,77,143
Rupees (at face value)	45,71,430	77,71,430

* The equity shares will be issued at a premium of Rupees NIL (previous year: Rupees 10,50,500)

** The equity shares will be issued at a premium of Rupees 1,14,28,575 (previous year: Rupees 1,62,28,571)

Note 13(e) for terms of employee stock option schemes

9.5 % Unsecured Fully Compulsorily Convertible debentures.

1908 E-Ventures Private Limited
Notes forming part of the financial statements
e). Stock option schemes
i). Terms :

The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 3 years subject to the discretion of the management and fulfillment of certain conditions.

1,50,000 Equity Shares of Face Value of Rupees 10/- each (Previous Year: Nil Equity Shares of Face Value of Rupees 10/- each) are reserved for issue under Employee Stock Option Scheme-2019 (ESOS-2019)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Grant price	10	17
Grant date	01-03-2019	01-03-2019
Vesting commences on	01/03/2020 onwards	01/03/2020 onwards
Options granted and outstanding at the beginning of the year	1,50,000	-
Options granted during the year	-	1,50,000
Options exercised during the year	47,000	-
Options lapsed during the year	3,000	-
Options granted and outstanding at the end of the year	1,00,000	1,50,000
of which		
no. of options vested	-	-
no. of options yet to vest	1,00,000	1,50,000

In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

The Company has modified the terms of ESOS-19 and issue price of shares has been reduced from 17 Rupees per share to 10 Rupees per share. Incremental fair value of the options granted is treated as discount and accounted as employee compensation over the vesting period.

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2019-20 is Rupees 16,38,265(previous year: Rupees 91,049).

The fair value has been calculated using the Black Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
A) Compounded risk free interest rate	7%	7%
B) Weighted Average Expected life of options	1.5 years	2 years
C) Expected volatility	18%	18%
D) Expected dividends over the life of options	NIL	NIL
E) Share price	27.09	27.09
F) Weighted Average Exercise price	10	17
G) Method used to determine expected volatility	The expected volatility has been determined on basis of, inter alia, historical data, forecasted growth of the company and other factors as deemed reasonable and appropriate for the purposes of this valuation	

14 Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
Retained Earnings		
As per last Balance Sheet	(4,20,66,018)	(1,97,33,185)
Increase/(decrease) during the year		
Profit/(loss) for the year	(2,74,88,456)	(2,24,23,882)
Securities premium	1,09,53,840	-
Employee share options (net)	16,38,265	91,049
	(5,69,62,369)	(4,20,66,018)
Other Comprehensive Income (OCI)		
As per last Balance Sheet	(22,668)	(6,842)
Remeasurement of defined employee benefit plan	(1,66,986)	(15,826)
	(1,89,654)	(22,668)
Total	(5,71,52,023)	(4,20,88,686)

1908 E-Ventures Private Limited
Notes forming part of the financial statements

15 Long-term borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
From related parties;		
Un Secured		
Fully Compulsorily Convertible debentures (Unsecured)*	1,60,00,000	2,40,00,000
Inter corporate deposits**	63,97,242	-
Total	2,23,97,242	2,40,00,000

*The Company has issued NIL (Previous Year: 16,00,000) 9.5 % Unsecured Fully Compulsorily Convertible debentures of Rs. 10 each on preferential allotment basis to M/s. Ador Multiproducts Ltd which is fully convertible into equity Shares after 3 years from the date of issue of debentures.

**The Company has received Inter Corporate Deposits(ICD) from M/s. Ador Multiproducts Ltd @ 9.5% interest for the period of 5 years. The Company and Lender have an option to convert - ICDs into either Equity Shares or Preference Shares (Type of Preference Share will be decided at the time of Conversion) of such number as mutually decided by Company and Lender within a period of 5 years by sending a prior notice of its intention of Conversion of ICDs into Equity or Preference Shares. Conversion of ICDs will be done at the fair market value as calculated by the Registered Valuer at the time of conversion.

16 Long-term provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Gratuity	2,96,577	89,928
- Leave entitlement	7,26,883	3,68,381
Total	10,23,460	4,58,309

17 Short-term borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
From Banks		
Un Secured		
Overdraft facility from bank*	2,24,80,316	2,32,65,366
From other parties.		
Un Secured		
Loans and advances from related parties;		
Loans from Directors	49,00,000	-
Total	2,73,80,316	2,32,65,366

*The Company has utilised overdraft facility of Rs. 2,24,80,316 (Previous Year: 2,32,65,366) against the drawing power of Rs. 2,60,00,000 (Previous Year Rs.2,60,00,000). The overdraft facility is secured against mutual fund investment of M/s J.B.Advani & Company Private Limited provided as collateral security by marking lien on mutual fund investments in favour of the bank.

18 Other trade payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Dues to micro, small and medium enterprises	1,29,952	59,342
Dues to other than micro, small and medium enterprises	1,06,03,070	95,05,176
Total	1,07,33,022	95,64,518

19 Other current financial liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest accrued but not due liability	-	4,57,250
Statutory dues payable	62,598	26,374
Advance from customers	16,51,665	-
Outstanding expenses	13,33,976	2,80,098
Total	30,48,239	7,63,722

1908 E-Ventures Private Limited
Notes forming part of the financial statements
20 Short-term provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bonus payable	1,89,824	1,49,955
Gratuity	6,735	105
Leave entitlement	65,318	40,165
Total	2,61,877	1,90,225

21 Income tax

During the years ended 31st March, 2020 and 31st March, 2019, a current tax credit of Rs. 166,986 and 15,826, respectively, have been recorded in other comprehensive income pertaining to remeasurement of defined benefit plan asset.

During the years ended 31st March, 2020 and 31st March, 2019, a deferred tax liability of Rs. NIL and Rs. NIL has been recorded in other comprehensive income pertaining to items not reclassified.

22 Revenue from operations

Particulars	2019-20	2018-19
Sale of products	1,76,01,054	1,29,20,433
Other operating revenue	-	-
Total	1,76,01,054	1,29,20,433

23 Other income

Particulars	2019-20	2018-19
Interest income:		
- on bank deposits	8,448	-
- on income tax refunds	4,380	-
Exchange Gain	-	1,27,363
Sundry balances written back	3,68,172	47,885
Finance income on interest free security deposits	29,640	39,268
Sundry receipts	90,701	1,95,363
Business Support Services	44,69,222	2,69,624
Total	49,70,563	6,79,503

24 Purchases of Stock-in-Trade

Particulars	2019-20	2018-19
Purchases of Stock-in-Trade	1,49,32,034	1,43,05,845
Total	1,49,32,034	1,43,05,845

25 Changes in inventories

Particulars	2019-20	2018-19
Inventories at the end of the year		
Finished goods	74,12,151	95,27,923
	74,12,151	95,27,923
Inventories at the beginning of the year		
Finished goods	95,27,923	59,94,980
	95,27,923	59,94,980
Total	21,15,772	(35,32,943)

26 Employee benefit expenses

Particulars	2019-20	2018-19
Salaries, wages and bonus	77,50,385	67,51,896
Contribution to provident and other funds (Also, refer note no.32)	3,34,154	1,40,631
Contribution to gratuity (Also, refer note no.32)	46,293	30,414
Leave encashment (Also, refer note no.32)	3,92,905	1,77,502
Expenses on employee stock option scheme	16,38,265	91,049
Staff welfare expense	3,34,971	2,66,351
Total	1,04,96,973	74,57,843

27 Finance Costs

Particulars	2019-20	2018-19
Interest on borrowings from banks	24,38,169	17,41,462
Interest on debentures	22,63,388	12,68,055
Interest on Inter Corporate Deposits	4,41,370	-
Other finance costs	47,521	73,090
Total	51,90,448	30,82,607

1908 E-Ventures Private Limited
Notes forming part of the financial statements
28 Other expenses

Particulars	2019-20	2018-19
Administrative Expenses	5,25,481	4,40,211
Clearing & Forwarding Charges	2,35,164	6,83,607
Marketing expenses	34,17,144	97,931
Brand Registration	1,09,108	-
Electricity expense	82,856	1,75,177
Exchange Loss	87,459	-
Internet expenses	1,31,302	1,36,026
Insurance charges	17,083	2,740
Packing material	2,58,097	4,200
Advertisement expenses	29,94,236	6,94,139
Travelling and conveyance	2,37,267	8,57,860
Legal and professional	24,27,949	22,61,127
Leave & licence Fees	14,77,921	19,55,789
Amortisation of prepaid rent	31,754	34,290
Bad debts	4,98,522	-
Registration fees	1,33,570	58,448
Auditors' remuneration	1,52,075	1,54,362
Repairs & Maintenance expense	6,50,892	59,548
Printing and stationery	97,473	1,92,418
Telephone postage & communication	5,46,336	2,76,613
Website expenses	2,82,764	1,72,536
Testing charges	1,32,336	77,664
Miscellaneous expenses	21,43,075	12,51,567
Total	1,66,69,864	95,86,253

29 Earnings per share

Particulars	2019-20	2018-19
i) Net profit after tax as per statement of profit and loss attributable to equity shareholders	(2,74,88,456)	(2,59,56,825)
ii) Weighted average number of equity shares used as denominator for calculating basic EPS	10,75,151	10,52,500
iii) Weighted average number of potential equity shares on account of employee stock options	1,00,000	1,50,000
iv) Total weighted average number of equity shares used as denominator for calculating diluted EPS	11,75,151	12,02,500
v) Net profit after tax for diluted EPS	(2,74,88,456)	(2,59,56,825)
vi) Basic earnings per share (Rs.)	(25.57)	(24.66)
vii) Anti-dilutive earnings per share (Rs.)	(23.39)	(21.59)
viii) Face value per equity share (Rs.)	10	10
ix) Weighted average number of potential equity shares on account of compulsory convertible debentures	15,32,294	18,29,643
x) Net profit after tax for diluted EPS	(2,52,25,068)	(2,46,88,770)
xi) Anti-dilutive earnings per share (Rs.)	(16.46)	(13.49)

30 Auditors' remuneration

Particulars	2019-20	2018-19
Audit fees	1,40,000	1,40,000
Auditor out of pocket expenses	12,075	14,362
Total	1,52,075	1,54,362

31 Operating leases
Leases as lessee

i. The Company has entered into various lease agreements under operating lease arrangements. The schedule of future minimum rentals payments in respect of non-cancellable operating leases agreements is set out below :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Up to one year	9,98,969	20,71,699
Between one and five years	7,73,406	17,72,375
More than five years		
Total	17,72,375	38,44,074

ii. The lease rentals recognised in the Statement of Profit and Loss for the year are Rs. 14,77,921 (Previous Year: Rs. 19,55,789).

32 Employee Benefits**(i) Defined Contribution Plans:**

Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred. The contributions are made to a government administered Provident Fund.

The Company recognised Rs. 3,34,154 (previous year Rs. 1,40,631) for Provident Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Liability towards long term defined employee benefits - leave encashment and gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is not funded.

Gratuity**A. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined benefit obligation (Rs.)	
	31st March, 2020	31st March, 2019
Opening balance	99,248	43,793
Included in profit or loss		
Current service cost	39,275	26,978
Interest cost	7,018	3,436
	46,293	30,414
Included in OCI		
Opening balance	25,041	9,215
Remeasurement loss or (gain):		
Actuarial loss or (gain) arising from:		
Changes in demographic assumptions	-	(13)
Financial assumptions	52,840	857
Experience adjustment	1,14,146	14,982
	1,92,027	25,041
Other		
Liability Taken Over of Employees	-	-
<u>Contributions paid by the employer</u>		
Benefits paid	-	-
	-	-
Closing balance	3,37,568.00	99,248.00

B. Defined benefit obligations**i. Actuarial assumptions**

The following were the weighted average assumptions used to determine benefit obligations at the reporting date.

		31st March, 2020	31st March, 2019
Discount rate		6.80%	7.80%
Salary escalation rate		7.50%	7.50%
Employee turnover rate	Age(Years)		
	21-30	5.00%	5.00%
	31-40	3.00%	3.00%
	41-59	2.00%	2.00%
Mortality rate during employment		Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

1908 E-Ventures Private Limited**Notes forming part of the financial statements**

[Currency: Indian Rupees(Rs.)]

32 Employee Benefits

Assumption regarding the future mortality experience are set in accordance with the Indian Assured Live Mortality statistics (2006-08).

Discount rate :- The discount rate is based on the prevailing market yields of Indian government securities at the end of the reporting period for the estimated terms of obligations

Salary escalation rate:- The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31st March, 2020		31st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-9.27%	10.54%	-9.33%	10.64%
Future salary growth (0.5% movement)	10.42%	-9.25%	10.62%	-9.40%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

iii. Expected future contributions to defined benefit plan

	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
1st following year (next reporting period)	6,735	105
2nd following year	10,311	2,805
3rd following year	9,781	4,641
4th following year	12,485	4,351
5th following year	11,867	4,754
6th following year	10,793	4,439
7th following year	11,266	4,288
8th following year	11,380	4,466
9th following year	11,177	4,584
10th and following years	14,09,627	5,41,942

The weighted average duration of the defined benefit obligation is 20 years (for 31st March, 2019: 19.17 years).

Other long term retirement benefit

The other long term retirement benefit compensated absences is recognised based on the actuarial valuation report for the relevant period. During the year company has recognised liability for compensated absences of Rs. 3,92,905 (Previous year Rs. 1,77,502).

33 Related Party Disclosures:

1 Names of related parties and description of relationship

A Enterprise where control exists

i) Holding Company

J. B. Advani & Company Pvt Ltd. (upto 19 March 2020)

Ador Multiproduct Limited (w.e.f 20 March 2020)

B Others related party withwhom transactions have been taken place during the year

i) J. B. Advani & Company Pvt Ltd. (w.e.f 20 March 2020)

ii) Ador Multiproduct Limited (upto 19 March 2020)

iii) 3D Future Technologies Pvt. Ltd.

iv) Ador Powertron Ltd.

v) Ador Welding Ltd.

vi) Ador Fontech Ltd.

vii) Aditya Malkani

viii) Shirin Neterwala Malkani

ix) Anatomicals Ador India Pvt. Ltd.

x) Aruna Advani

ii) Key management personnel (KMP)

Deep Lalvani

Ninotchka Nagpal (upto 19 November 2019)

Tanya Advani (w.e.f. 20 November 2019)

iii) Relatives of Key Management Personnel where transactions have taken place

Reshma Lalwani

2 Transactions with related parties for the year are as follows:

Transaction during the year	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Purchases of Goods (Gross Amount)		
Ador Multi Products Ltd.	17,82,539	12,43,422
Sale of personal Care Product (Gross Amount)		
J. B. Advani & Company Pvt. Ltd.	1,05,343	1,20,964
3D Future technologies Pvt. Ltd.	2,825	3,815
Ador Welding Ltd.	46,717	21,950
Ador Powertron Ltd.	37,431	1,00,000
Ador Fontech Ltd.	1,54,344	-
Ador Multi Products Ltd.	-	8,952
Deep Lalvani	1,81,291	1,36,944
Ninotchka Nagpal	9,998	29,622
Tanya Halina Advani	14,314	-
Shirin Neterwala Malkani	4,710	-
Aditya Malkani	15,147	11,992
Aruna Advani	6,875	-
Reshma Lalwani	9,162	-

1908 E-Ventures Private Limited

Notes forming part of the financial statements

[Currency: Indian Rupees(Rs.)]

2 Transactions with related parties for the year are (Contd.)

Transaction during the year	2019-20	2018-19
Repayment of Security Deposit		
J. B. Advani & Company Pvt. Ltd.	-	2,75,000
Security Deposit Given		
J. B. Advani & Company Pvt. Ltd.	-	1,50,000
Interest on Debentures		
Ador Multi Products Ltd.	22,63,388	12,68,055
Freight charges		
Ador Multi Products Ltd.	13,868	-
Interest on Inter-company deposits		
Ador Multi Products Ltd.	4,41,370	-
License fees and common area maintenance charges paid (Gross Amount)		
J. B. Advani & Company Pvt. Ltd.	3,13,417	9,53,336
Business support charges paid (Gross Amount)		
J. B. Advani & Company Pvt. Ltd.	2,36,000	2,36,000
Electricity Charges paid (Gross Amount)		
J. B. Advani & Company Pvt. Ltd.	-	1,46,038
Reimbursement of Expenses Paid		
3D Future Technologies Pvt. Ltd.	-	3,831
J. B. Advani & Company Pvt. Ltd.	782	-
Anatomicals Ador India Pvt. Ltd.	64,042	-
Ador Multi Products Ltd.	39,460	7,929
Legal and professional charges paid (Gross Amount)		
Shirin Neterwala Malkani	-	47,200
Other Service Charges (Gross Amount)		
J. B. Advani & Company Pvt. Ltd.	62,236	1,41,600
Ador Multi Products Ltd.	-	91,644
Loans & Advances from		
Deep Lalvani	1,13,50,000	37,50,000
Ador Multi Products Ltd.	37,00,000	39,60,000
Ador Multiproducts Ltd.-Inter company deposits	1,60,00,000	-
Repayment of Loans & Advances		
Deep Lalvani	64,50,000	37,50,000
Ador Multi Products Ltd.	37,00,000	75,60,000
Debentures converted into Equity shares		
Ador Multi Products Ltd.	99,99,990	-
Inter-corporate deposit converted into Equity shares		
Ador Multi Products Ltd.	80,00,000	-
Balances at the year end :		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Outstanding balance included in other current liabilities		
Ador Multiproducts Ltd.(Interest on debenture)		4,57,250
Trade Payable		
Ador Multi Products Ltd.	-	1,30,867
Trade Receivable		
Anatomicals Ador India Pvt. Ltd.	800	-
Ador Fontech Ltd.	12,744	-
Ador Powertron Ltd.	20,680	-
Ador Welding Ltd.	26,717	-
Other Receivables		
Ador Multiproducts Ltd.	3,90,388	-

34 Fair value measurements

1 Financial instruments by category:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets - Non Current				
Deposits	3,49,594	1,25,000	7,43,428	1,25,000
Financial Assets - Current				
Trade receivables		34,65,198		35,47,183
Cash and cash equivalents		8,95,556		2,02,552
Other current financial asset		1,81,851		80,093
Financial Liabilities - Non Current				
Fully Compulsorily Convertible debentures		2,23,97,242		2,40,00,000
Financial Liabilities - Current				
Trade payables		1,07,33,022		95,64,518
Other current financial liabilities		30,48,239		7,63,722

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

The fair values of security deposits are based on discounted cash flows using a discount rate being incremental borrowing rate (refer note III below)

III. Financial assets and liabilities measured at fair value Fair value hierarchy - recurring fair value measurement:

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets - Non-current						
Deposits	-	-	3,49,594	-	-	7,43,428

IV. Financial assets and liabilities measured at amortised cost for which fair values are disclosed:

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities - Non-current						
Fully Compulsorily Convertible debentures	-	-	2,23,97,242	-	-	2,40,00,000

Note:

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of trade receivables, cash and bank balances, other bank balances, non-current loans, current loans, other current financial asset, trade payables and other current financial liabilities are considered to be approximately equal to the fair value.

The fair values computed above for assets and liabilities measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs.

2	Financial risk management The Company's principal financial liabilities comprise deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include current loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.																		
A	Credit risk The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and other financial instruments). Credit risk management To manage credit risk, the Company follows a policy of providing 30-180 days credit to the customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating. However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly. Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with government agencies/public sector undertakings. Age of receivables that are past due: <table><tr><th>Particulars</th><th>As at 31st March, 2020</th><th>As at 31st March, 2019</th></tr><tr><td>Upto 30 days</td><td>10,49,792</td><td>5,08,081</td></tr><tr><td>30-60 days</td><td>4,52,025</td><td>7,72,928</td></tr><tr><td>60-90 days</td><td>3,34,756</td><td>5,73,025</td></tr><tr><td>More than 90 days</td><td>16,28,625</td><td>16,93,149</td></tr><tr><td>Total</td><td>34,65,198</td><td>35,47,183</td></tr></table>	Particulars	As at 31st March, 2020	As at 31st March, 2019	Upto 30 days	10,49,792	5,08,081	30-60 days	4,52,025	7,72,928	60-90 days	3,34,756	5,73,025	More than 90 days	16,28,625	16,93,149	Total	34,65,198	35,47,183
Particulars	As at 31st March, 2020	As at 31st March, 2019																	
Upto 30 days	10,49,792	5,08,081																	
30-60 days	4,52,025	7,72,928																	
60-90 days	3,34,756	5,73,025																	
More than 90 days	16,28,625	16,93,149																	
Total	34,65,198	35,47,183																	
B	Liquidity risk Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and other financial liabilities. Liquidity risk management The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.																		
C	Market risk																		
(i)	Price Risk The company is not exposed to any price risk.																		

3	Capital Management
a	Risk management <p>The company's objectives when managing capital are to</p> <ul style="list-style-type: none"> • safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and • maintain an optimal capital structure to reduce the cost of capital. <p>Apart from trade payables and other current liabilities, there is no debt on the company. Therefore, the company manages its capital and return to shareholders by adequately investing in mutual funds and equity shares and adjusting the amount of dividend paid to the shareholders.</p>

1908 E-Ventures Private Limited**Notes forming part of the financial statements**

[Currency: Indian Rupees(Rs.)]

35 Contingent liabilities and Commitments**(a) Contingent liabilities**

There is no contingent liabilities of the company for the reporting periods.

(b) Commitments

For operating lease commitments, Refer Note 31

36 Segment Information

The Company is engaged in the business of trading of personal care products. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly "Personal care products" is the only operating segment.

The company is domiciled in India. The amount of it's revenue from external customer broken down by location of the customers is shown in table below:

(Amount in Rs.)

Revenue from external customer

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
India	1,76,01,054	1,29,20,433
Outside India	-	-
Total Revenue	1,76,01,054	1,29,20,433

All Non-current assets of the Company are located in India.

37 Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

The amount of defined benefit obligation, plan assets, the deficit thereof and the experience adjustments on plan assets and plan liabilities for the current and previous four years are as follows:

(i) Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Salary increase considered @ 7.50%. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ii) Life expectancy / Longevity risks

The present value of the defined benefit plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2006-08) modified Ult. is used for during the employment and post retirement respectively. An increase in the life expectancy of the plan participants will increase the plan's liability. Since the benefits are lump sum in nature the plan is not subject to longevity risks.

(iii) Interest rate risks

A decrease in the bond interest rate will increase the plan liability.

(iv) Inflation risks

The present value of the defined benefit plan liability is calculated using 5% inflation rate. As such, a decrease in the inflation rate will increase the plan's liability.

1908 E-Ventures Private Limited**Notes forming part of the financial statements**

[Currency: Indian Rupees(Rs.)]

38 Details relating to Micro, Small and Medium Enterprises:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	1,30,293	59,342
(b) the amount of interest paid by the buyer in terms section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	20,004
(e) the amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006;	341	20,004

39 Previous Year Comparative

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For Sunil Modi & Co

Chartered Accountants

Firm Registration No. 142806W

For and on behalf of the Board of Directors**Sunil Modi**

Partner

Membership No. 042562

Deep A. Lalvani

Chairman

DIN: 01771000

Tanya Advani

Director

DIN: 08586636

Place : Mumbai

Date : 19th June 2020

Place : Mumbai

Date : 19th June 2020