

INDEPENDENT AUDITOR'S REPORT

To,

The Board of Directors
Shreeji Shipping Global Limited
(Formerly known as Shreeji Shipping Global Private Limited)
"SHREEJI HOUSE",
Town Hall Circle, Jamnagar,
Kalavad, Gujarat, India, 361001

Report on the Audit of Special Purpose Ind AS Financial Statements:

We have audited the accompanying Special Purpose Ind AS Financial Statements of **Shreeji Shipping Global Limited** (the "Company") which comprise the Special Purpose Ind AS balance sheet as at 31st March 2022, the Special Purpose Ind AS statement of profit and loss (including other comprehensive income), the Special Purpose Ind AS statement of change in equity and the Special Purpose Ind AS cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2022 and its profit / (loss) and other comprehensive income / (loss), change in equity and its cash flows for the year ended on that date for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined the matters described below to be the key audit matters to be communicated in our report.

Management's Responsibility for the Special Purpose Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economics decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the result of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Sarda & Sarda

Chartered Accountants

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our report is intended solely for use of the Board of Directors for inclusion in the DRHP, RHP and Prospectus to be filed with SEBI, Stock Exchanges and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Sarda & Sarda
Chartered Accountants
(FRN: 109264W)

Sd/-

Rajnikant Pragada
Proprietor

Date: 29th December 2024
Place: Jamnagar

M. No. 118132
UDIN: 24118132BKAIIB7019

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure I****Statement of Assets and Liabilities**

Particulars	Notes	As at 31st March 2022
ASSETS		
Non-Current Assets		
a) Property, Plant and Equipment	4	2,951.67
b) Capital work-in-progress	4	429.63
c) Intangible assets	4	0.34
d) Goodwill	4	-
e) Intangible assets under development	4	18.05
f) Financial Assets		
(i) Investments	5	0.01
(ii) Other Financial Assets	6	23.89
Total Non-Current Assets		3,423.59
CURRENT ASSETS		
a) Inventories	7	100.60
b) Financial Assets		
(i) Investments		-
(ii) Trade Receivables	8	1,866.92
(iii) Cash & Cash Equivalents	9	41.08
(iv) Bank Balances other than (iii) above	10	7.52
(v) Loans	11	58.67
(vi) Other Financial Assets	12	50.59
c) Current Tax Assets (Net)	13	168.92
d) Other Current Assets	14	154.38
Total Current Assets		2,448.68
Total Assets		5,872.27
Equity and Liabilities		
Equity		
a) Equity Share capital	15	1.00
b) Other Equity	16	1,528.71
Total Equity		1,529.71
Liabilities		
a) Financial Liabilities		
(i) Borrowings	17	1,764.89
b) Deferred Tax Liabilities (Net)	37	110.82
c) Provisions	21	24.10
Total Non-Current Liabilities		1,899.81
Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	17	584.82

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure I**Statement of Assets and Liabilities**

Particulars	Notes	As at 31st March 2022
(ii) Trade payables	18	-
Total outstanding dues of micro enterprises and small enterprises		452.76
Total outstanding dues other than micro and small enterprises		199.94
(iii) Other Financial Liabilities	19	927.62
b) Other Current Liabilities	20	81.35
c) Provisions	21	196.27
d) Current Tax Liabilities (Net)	22	
Total Current Liabilities		2,442.75
Total Equity & Liabilities		5,872.27

Significant Accounting Policies**3****The Accompanying Notes are an Integral part of the Standalone Financial Statements.**

For Sarda & Sarda
Chartered Accountants
FRN: 109264W

For and on behalf of board of directors of
SHREEJI SHIPPING GLOBAL LIMITED

Sd/-
Rajnikant Pragada
Proprietor
Membership No: 118132

Sd/-
Jitendrakumar Haridas Lal
Joint Managing
Director
DIN: 00991555

Sd/-
Ashokkumar Lal
Chairman and Managing
Director
DIN: 01736933

Sd/-
Archanaba Gohil
Company Secretary

Sd/-
Harshida Bhanushali
Chief Financial Officer

Place: Jamnagar
Date: December 29, 2024

Place: Jamnagar
Date: December 29, 2024

Place: Jamnagar
Date: December 29, 2024

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure II**Statement of Profit and Loss**

Particulars	Notes	Fiscal 2022
<u>Revenue:</u>		
I Revenue from Operations	23	5,719.73
II Other Income	24	6.46
III Total Income (I + II)		5,726.20
<u>Expenses:</u>		
IV		
a) Cost of Services	25	3,915.55
b) Changes in inventories of finished goods and work-in-progress		-
c) Employee Benefits Expense	26	62.68
e) Finance Costs	27	152.13
d) Depreciation And Amortization Expenses	28	119.41
f) Other Expenses	29	335.73
Total Expenses (IV)		4,585.49
V Profit/(loss) before exceptional items and tax (III - IV)		1,140.71
VI Exceptional Items	33	1.00
VII Profit/ (loss) before tax (V+VI)		1,141.71
VIII Tax Expense		
Current Tax		196.27
Deferred Tax		110.82
Total Tax Expenses		307.09
IX Profit/(loss) for the period (VII-VIII)		834.62
X Other Comprehensive Income	30	
i. Items that will not be reclassified to Statement of Profit and Loss		1.34
ii. Income tax relating to items that will not be reclassified to Statement of Profit and Loss		(0.34)
iii. Items that will be reclassified to Statement of Profit and Loss		-
iv. Income tax relating to items that will be reclassified to Statement of Profit and Loss		-
Other Comprehensive Income for the year (X)		1.00
XI Total Comprehensive Income for the year (IX + X)		835.62
XII Earnings per Equity Share	31	
(i) Basic (in Rs.)		5.69

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure II

Statement of Profit and Loss

Particulars	Notes	Fiscal 2022
(ii) Diluted (in Rs.)		5.69

Significant Accounting Policies **3**

The Accompanying Notes are an Integral part of the Standalone Financial Statements.

For Sarda & Sarda
Chartered Accountants
FRN: 109264W

For and on behalf of board of directors of
SHREEJI SHIPPING GLOBAL LIMITED

Sd/-
Rajnikant Pragada
Proprietor
Membership No: 118132

Sd/-
Jitendrakumar Haridas Lal
Joint Managing
Director
DIN: 00991555

Sd/-
Ashokkumar Lal
Chairman and Managing
Director
DIN: 01736933

Sd/-
Archanaba Gohil
Company Secretary

Sd/-
Harshida Bhanushali
Chief Financial Officer

Place: Jamnagar
Date: December 29, 2024

Place: Jamnagar
Date: December 29, 2024

Place: Jamnagar
Date: December 29, 2024

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure III**Statement of Cash Flows**

Particulars	Fiscal 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit before taxation	1,143.05
Adjustments for:	
Interest Expenses	152.13
Interest Received	(1.18)
(Gain) / loss on Sale of Property, Plant & Equipment	(1.00)
Other adjustments	110.82
Depreciation and Amortisation Expenses	119.41
Operating Profit before working capital changes	1,523.22
Increase/(Decrease) in Provisions	49.09
Increase/(Decrease) in Current Tax Liability	196.27
(Increase)/Decrease in Other Current financial Assets	(21.22)
(Increase)/Decrease in Other current assets	(10.58)
Increase/(Decrease) in Trade Payables	247.33
Increase/(Decrease) in Other Financial Liability	74.12
Increase/(Decrease) in Other Current Liability	494.90
(Increase)/Decrease in Inventories	(24.80)
(Increase)/Decrease in Current tax assets	(56.33)
(Increase)/Decrease in Trade Receivable	(733.27)
Cash Generated from Operations	1,738.73
Income Taxes paid	(307.09)
Net Cash from Operating Activities	1,431.64
(B) CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Property, Plant & Equipment	(2,190.71)
Disposal of Property, Plant & Equipment	11.21
Investments in other non current financial Assets	(10.16)
Sale / (Purchase) of Investments (Net)	-
Loans & advances	(9.61)
Interest Received	1.18
Net Cash from Investing Activities	(2,198.08)

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure III**Statement of Cash Flows**

Particulars	Fiscal 2022
(C) CASH FLOW FROM FINANCING ACTIVITIES:	
Increase/(Decrease) in Current Borrowings	215.59
Increase/(Decrease) in Non current Borrowings	(382.58)
Interest Paid	(152.13)
Shares issued during the year	-
Share premium	-
Adjustment in Partner's Capital	1,074.03
Net Cash from Financing Activities	754.91
Net Increase / (Decrease) in Cash and Cash Equivalents	(11.53)
Cash and Cash Equivalents at the beginning of the period	60.13
Cash and Cash equivalents at the end of the period	48.60
Notes to the Cash Flow Statement:	
Cash and Cash Equivalents comprises of	
Cash on Hand	4.89
Balance in Current Account	43.71
Cash and Cash equivalents in Cash Flow Statement	48.60

Significant Accounting Policies 3**The Accompanying Notes are an Integral part of the Standalone Financial Statements.****For Sarda & Sarda**
Chartered Accountants
FRN: 109264W**For and on behalf of board of directors of**
SHREEJI SHIPPING GLOBAL LIMITED**Sd/-**
Rajnikant Pragada
Proprietor
Membership No: 118132**Sd/-**
Jitendrakumar Haridas Lal
Joint Managing
Director
DIN: 00991555**Sd/-**
Ashokkumar Lal
Chairman and Managing
Director
DIN: 01736933**Sd/-**
Archanaba Gohil
Company Secretary**Sd/-**
Harshida Bhanushali
Chief Financial Officer**Place: Jamnagar**
Date: December 29, 2024**Place: Jamnagar**
Date: December 29, 2024**Place: Jamnagar**
Date: December 29, 2024

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure IV**Statement of Changes in Equity****(a) Equity share capital**

Rs. in millions, unless otherwise stated

Particulars	Face Value	Number of Shares	Value of Shares
Balance at the 01.04.2021	Rs. 10	1,00,000	1.00
Changes in the equity share capital during the year: -			
- Addition of shares during the year		-	-
- Reduction of shares during the year		-	-
Balance at the 31.03.2022	Rs. 10	1,00,000	1.00

Rs. in millions, unless otherwise stated

Particulars	Reserve & Surplus		Total
	Other Comprehensive Income	Retained Earnings	
Balance as at 01.04.2021 as per Ind AS	-	305.78	305.78
Profit / (Loss) for the period		834.62	834.62
Other Comprehensive Income / (Loss)	1.00	-	1.00
Total Comprehensive Income	1.00	1,140.40	1,141.40
Equity Dividend	-	-	-
Other Addition/ deletion	-	59.57	59.57
Balance as at 31.03.2022	1.00	1,527.70	1,528.71

For Sarda & Sarda
Chartered Accountants
FRN: 109264W

For and on behalf of board of directors of
SHREEJI SHIPPING GLOBAL LIMITED

Sd/-
Rajnikant Pragada
Proprietor
Membership No: 118132

Sd/-
Jitendrakumar Haridas Lal
Joint Managing
Director
DIN: 00991555

Sd/-
Ashokkumar Lal
Chairman and Managing
Director
DIN: 01736933

Sd/-
Archanaba Gohil
Company Secretary

Sd/-
Harshida Bhanushali
Chief Financial Officer

Place: Jamnagar
Date: December 29, 2024

Place: Jamnagar
Date: December 29, 2024

Place: Jamnagar
Date: December 29, 2024

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

Annexure V**Summary Statement of Material Accounting Policies and other explanatory information**

1. Company Information

Shreeji Shipping Global Limited ("the Company"), is a public limited company, engaged in the business of handling dry bulk cargo providing complete solutions under one roof right from stevedoring, lighterage, loading / unloading cargo, documentation, warehousing, agency, custom clearance and all ancillary services at ports located nationally and internationally.

The Company was incorporated on April 11, 2024 by way of converting the erstwhile partnership firm, i.e., M/s. Shreeji Shipping into a private limited company viz. Shreeji Shipping Global Private Limited (CIN: U52242GJ2024PTC150537) as a going concern business on as is where is basis. The Company subsequently got converted into a public limited company vide certificate of incorporation dated November 18, 2024, issued by Registrar of Companies, Ahmedabad.

The registered office of the Company is located at "SHREEJI HOUSE", Town Hall Circle, Jamnagar, Kalavad, Gujarat, India, 361001.

2. Basis of Preparation & Presentation of Special Purpose Ind AS Financial Statements of Company**2.1. Statement of Compliance and Basis of Preparation & Presentation**

The Special Purpose Ind AS Financial Statements of the Company comprises the Special Purpose Ind AS Statement of Assets and Liabilities as at March 31, 2022, the Special Purpose Ind AS Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Ind AS Statement of Cash Flows for the year ended March 31, 2022, Special Purpose Ind AS Statement of Changes in Equity and the Summary of Significant Accounting Policies and explanatory notes (collectively referred to as "the Special Purpose Ind AS Financial Statements").

These Special Purpose Ind AS Financial Statements have been prepared by the Management of the Company for the limited purpose of facilitating the preparation of the restated consolidated financial statements for inclusion in the Draft Red Herring Prospectus ("DRHP") to be prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). The Special Purpose Ind AS Financial Statements have been prepared by the Company in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note") read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the "SEBI Communication"), as applicable.

These Special Purpose Ind AS Financial Statements have been prepared to comply in all material respects with the Indian Accounting Standard (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016 as amended from time to time.

As per the ICDR Regulations and in pursuance to the SEBI Communication, for the purpose of the Special Purpose Ind AS Financial Statements the partnership accounts of the erstwhile partnership firm have been prepared in the format prescribed under Schedule III of the Companies Act, 2013 applying the accounting principles prescribed under Ind AS. The transition date for the same is considered as April 01, 2021 which is different from the transition date adopted by the Company at the time of first-time transition to Ind AS (i.e.,

April 01, 2024) for the purpose of preparation of Statutory Ind AS Financial Statements as required under the Act.

Accordingly, the Company have applied the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as on April 01, 2021 for the Special Purpose Ind AS Financial Statements, as initially adopted on transition date i.e. April 01, 2024 and prepared the opening balance sheet as on April 01, 2021.

These Special Purpose Ind AS Financial Statements have been prepared by amending the original audited partnership accounts of erstwhile partnership firm for the year ended March 31, 2022, dated September 29, 2022 in the format prescribed under schedule III of the Act and making required Ind AS adjustments to the same, as per the requirements of ICDR Regulations.

These Special Purpose Ind AS Financial Statements have been approved by the Board of Directors of the Company vide resolution dated 29.12.2024.

2.2. Functional and Presentation Currency

The Special Purpose Ind AS Financial Statements of the Company is presented in Indian Rupees (₹) which is the functional and the presentation currency of the Company and all value are rounded to the nearest millions with two decimals, except when otherwise indicated.

2.3. Basis of Measurement

The Special Purpose Ind AS Financial Statements have been prepared on accrual basis following historical cost convention except for certain financial instruments that are measured at fair values.

A historical cost is a measure of value used for accounting in which the price of an asset on the balance sheet is based on its historical cost, it is generally fair value of consideration given in exchange for goods and services at the time of transaction or original cost when acquired by the company.

Fair value is the price that is likely to be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 – Share Based Payment and leasing transactions that are within the scope of Ind AS 116 – Leases.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are prescribed as follows:

- Level one quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access on measurement data;
- Level two inputs, other than quoted price is included within level one, that are observable for the asset or liability, either directly or indirectly; and
- Level three where observable inputs are used for the valuation of assets or liabilities.

2.4. Key Accounting Estimates & Judgements

In preparing these Special Purpose Ind AS Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the Special Purpose Statement of Profit and Loss in the year in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:

- a) Estimation of Deferred Tax Asset;
- b) Fair Value of financial instruments;
- c) Impairment of financial assets;
- d) Measurement of defined benefit obligation;
- e) Determination of incremental borrowing rate;
- f) Provision for expected credit losses of trade receivables;
- g) Recognition and measurement of provisions and contingencies;

3. Significant Accounting Policies

These Special Purpose Ind AS Financial Statements have been prepared using the significant accounting policies summarised below. These were used throughout all the periods presented in the said statements.

3.1. Current and Non - Current classification

The Company presents assets and liabilities in the Special Purpose Ind AS statement of assets and liabilities based on current / non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when:

- It is Expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has determined its operating cycle, as explained in schedule III of the Companies Act, 2013, as twelve months, having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as current and non-current while preparing the financial statements.

3.2. Effects of Changes in Foreign Exchange Rates

Foreign Currency Transaction

Initial recognition and measurement

Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date.

Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or expenses in the year in which they arise.

Foreign Operations

Foreign Subsidiaries, Joint Ventures and Associates have been classified as Non-Integral Operations. Whereas foreign branches operating as a division have been classified as Integral Operations.

Integral Operations

Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of transaction.

Monetary foreign currency assets and liabilities of integral foreign operations remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date and the resulting Profit / Loss is included in the Profit and Loss Account. Contingent liabilities are translated at spot rate.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.

Non-Integral Operations

Income and expenditure of non-integral foreign operations are translated at quarterly average closing rates notified by FEDAI.

Both monetary and non-monetary foreign currency assets and liabilities including contingent liabilities of non-integral foreign operations are translated at closing exchange rates at the Balance Sheet date.

Exchange differences arising on investment in non-integral foreign operations are accumulated in Foreign Currency Translation Reserve until the disposal of the investment.

3.3. Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, including import duties and non – refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

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

Material items such as spare parts, stand-by equipment and service equipment are classified as property, plant and equipment when they meet the definition of property, plant and equipment as specified in Ind AS 16 – Property, Plant and Equipment.

An item of property, plant and equipment is derecognised upon its disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of the item of property, plant and equipment is included in the Statement of Profit and Loss.

Transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2021 (transition date for the purpose of restatement) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.4. Leases

As a Lessee

At commencement or on modification of a contract that contains the lease component, the Company allocates the consideration in the contract to each lease component based on its relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily

determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

3.5. Inventories

Inventory includes consumable stores which are valued at cost. The Company used First-In-First-Out (FIFO) for valuing its inventory.

Cost of inventory comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

The Company reviews the condition of its inventories and makes provision against obsolete and slow – moving inventory items which are identified as no longer suitable for sale or use. Obsolete and slow – moving items are valued at cost or estimated net realisable value, whichever is lower. Any write down of inventories is recognised as an expense during the year.

3.6. Cash and Cash Equivalents

Cash and cash equivalents in the Special Purpose Ind AS Statement of Assets and Liabilities and Special Purpose Ind AS Statement of Cash Flows comprise cash on hand and at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.7. 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**Classification**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Initial recognition and measurement

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement**Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset for collecting contractual cash flows and the 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 other income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Financial assets carried at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the 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.

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 and reversals in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI asset is reported as interest income using the EIR method.

Equity instruments, except for the ones held for trading, could also be classified as at FVTOCI, if the Company makes an irrevocable election to do so at the time of initial recognition. Such election is made on instrument-to-instrument basis. In case of equity instruments classified as at FVTOCI, all the fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to

statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has designated certain equity instruments as at FVTOCI.

Financial assets carried at fair value through profit or loss (FVTPL)

A financial asset which is not categorized as at amortised cost or as FVTOCI, is classified and subsequently measured as at FVTPL.

As per the requirements of Ind AS 109 - "Financial Instruments", all investments in equity instruments and contracts on those instruments are to be measured at FVTPL unless designated at FVTOCI. However, there might be situations where cost may be an appropriate estimate of fair value. That may be the case if insufficient information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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').

De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- 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.

Financial Liabilities

Classification

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost, except for financial liabilities specifically classified and subsequently measured as at fair value through profit and loss.

Initial recognition and measurement

The Company initially measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement**Financial liabilities carried at amortised cost**

The Company measures its financial liabilities at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts, estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

The interest expense (calculated based on effective interest method) and any gain or loss on derecognition is recognised in the Special Purpose Statement of Profit and Loss.

Financial assets carried at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or losses, including any interest expense on liabilities held for trading are recognised in the Special Purpose Ind AS Statement of Profit and Loss.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Special Purpose Ind AS statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Special Purpose Ind AS Statement of Assets and Liabilities 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.

3.8. Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the enterprise expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

3.9. Taxes**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 in accordance with the Income-tax Act, 1961.

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.

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 reasonably certain 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.

3.10. Employee Benefit Expenses**Short-term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-employment Benefits*Defined Contribution Plans*

The Company recognises contribution payable to the provident fund scheme as an expense, during the period in which employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of retirement / resignation / death while in employment. The gratuity is paid @ 15 days basic salary for every completed year of service up to ₹ 20,00,000/-. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

3.11. Revenue Recognition

The Company derives revenue primarily from sale of products /services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue

excludes amounts collected on behalf of government authorities such as Goods and Service Tax (GST), returns, trade allowances, rebates and amounts collected on behalf of third parties. To recognize revenues, the Company applies the following five step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.

Rendering of Services

Revenue from rendering of services is recognized over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method based on accumulated experience and underlying schemes and agreements with customers). Due to the short nature of credit period given to customers, there is no financing component in the contract.

And in case of delay in receipt of payment from customers other than on account of some sort of dispute, interest is charged separately from the customers.

3.12. Other Income

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income

Dividends are recognised in the Special Purpose Ind AS Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

3.13. Finance Costs

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing cost are being incurred. A qualifying asset is an asset that necessarily takes a substantial time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period they are incurred.

Borrowing cost includes interest expense, amortisation of discounts and ancillary costs incurred in connection with borrowing of funds.

3.14. Depreciation

Depreciation is the systematic allocation of the depreciable amount of property, plant and equipment over its useful life and is provided on a straight-line basis over the useful life as prescribed in Schedule II to the Companies Act, 2013 ("the Act") or as per technical assessment by the Management.

Depreciable amount for property, plant and equipment is the cost of property, plant and equipment less its estimated residual value. The useful life of property, plant and equipment is the period over which it is expected to be available for use by the Company or the number of production or similar units expected to be obtained from it by the Company. The Company has considered the useful lives prescribed by Schedule II of the Act, for the purpose of depreciating its property, plant and equipment.

Depreciation on property, plant and equipment which are added / disposed of during the year, is provided on pro-rata basis with reference to the date of addition / deletion.

Leasehold improvements are depreciated over the tenure of lease term. Leasehold land is amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold land is amortized over the primary lease period of the land.

3.15. Capital work in progress and Capital advances

Cost of assets not ready for intended use, as on the end of the reporting period, is shown as capital work in progress.

Advances given towards acquisition of Property, Plant and Equipment outstanding at end of each reporting period are disclosed as other non-current assets.

3.16. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2021 (transition date for the purpose of restatement) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Amortization:

Amortisation is recognised on a written-down value basis over their estimated useful lives.

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Special Purpose Ind AS Statement of Profit and Loss when the asset is derecognized.

3.17. Intangible Assets under Development

Expenditure on intangible assets eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

3.18. Impairment

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 following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost
- Financial assets that are measured at FVTOCI
- Trade or other contractual receivables resulting from transactions that are within the scope of Ind AS 115

The Company for recognition of impairment loss allowance on Trade or other contractual receivables resulting from transactions that are within the scope of Ind AS 115 uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.

The Company follows 'general approach' for recognition of impairment loss allowance, on other financial assets, wherein the Company provides for 12-month ECL on 'Low Credit Risk' financial assets and lifetime time ECL on 'Moderate Credit Risk' and 'High Credit Risk' financial assets.

If, in a subsequent period, credit quality of the financial asset improves such that there is no longer a significant credit risk, then the entity 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. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: 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.

Impairment of Non-Financial Assets

The Company assesses at each reporting date as to whether there is any indication that any non-financial asset or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of the asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Special Purpose Ind AS Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

3.19. Contingent Assets & Liabilities

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent asset are disclosed in the Special Purpose Ind AS Financial Statements.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed 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 is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets and liabilities are reviewed at each balance sheet date.

3.20. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Government grant related to assets are presented by deducting the grant from the carrying amount of the asset.

3.21. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The average weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

But while calculating basic earnings per share and diluted earnings per share for the purpose of Special Purpose Ind AS Financial Statements, the number of shares has been adjusted for the bonus issue made till the date of signing these Special Purpose Ind AS Financial Statements.

3.22. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows for the year are classified by operating, investing and financing activities.

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****4 Property, Plant and Equipment (PPE)**

Rs. in millions, unless otherwise stated

Particulars	Heavy Vehicles & Equipment	Computer System	Buildings	Office Equipment	Furniture and Fixtures	Vehicles	Capital Work in Progress	Total
<u>At Cost or Deemed Cost</u>								
<u>Gross Block</u>								
Balance as at April 1 2021	2,787.18	3.92	7.19	1.00	10.72	81.55	108.13	2,999.68
Additions	1,833.33	0.95	-	0.09	0.55	30.77	321.50	2,187.20
Disposals	(9.80)	-	-	-	-	(0.60)	-	(10.40)
Balance as at 31 March 2022	4,610.72	4.87	7.19	1.09	11.27	111.72	429.63	5,176.49
<u>Accumulated depreciation</u>								
Balance as at 1st April 2021	1,612.40	2.88	0.74	0.03	2.32	47.10	-	1,665.46
Amount Charged to Reserves	5.28	0.19	-	-	-	5.16	-	10.64
Depreciation expenses	110.07	0.48	0.07	0.03	0.97	7.64	-	119.27
Disposals	-0.16	-	-	-	-	-0.02	-	-0.19
Balance as at 31 March 2022	1,727.59	3.55	0.81	0.07	3.29	59.88	-	1,795.18
<u>Net Block</u>								
Balance as at 1st April 2021	1,174.78	1.04	6.46	0.96	8.40	34.45	108.13	1,334.22
Balance as at 31st March 2022	2,883.13	1.31	6.38	1.02	7.98	51.84	429.63	3,381.30

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****4. Intangible Assets**

Rs. in millions, unless otherwise stated

Particulars	Goodwill	Softwares - ERP For stock	Intangible Assets under Development
<u>At Cost or Deemed Cost</u>			
<u>Gross Block</u>			
As at 01 April 2021	-	3.44	14.58
Additions	-	0.03	7.76
Disposals	-	-	-
As at 31 March 2022	-	3.47	18.05
	-		
<u>Accumulated depreciation and impairment</u>			
As at 01 April 2021	-	2.99	-
Amortisation expenses	-	0.13	-
Disposals	-	-	-
As at 31 March 2022	-	3.12	-
Carrying amount			
As at 01 April 2021	-	0.45	14.58
As at 31 March 2022	-	0.34	18.05

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****5. Non-Current Investments:****Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
(a) Investments Measured at Cost	
In Equity Shares of Other Entities	
Commercial Co-op. Bank Ltd.	
- Value	0.00
- No. of Shares	2.00
Jamnagar Nagrik Bank Linking Share	
- Value	0.00
- No. of Shares*	-
Jamnagar Nagrik Bank	
- Value	0.01
- No. of Shares*	-
Jamnagar people's Bank	
- Value	0.00
- No. of Shares	3.00
Navanagar Co-op Bank	
- Value	0.00
- No. of Shares	50.00
Total	0.01
<i>Aggregate Amount of Quoted Investments</i>	-
<i>Aggregate Market Value of Quoted Investments</i>	-
<i>Aggregate Amount of Unquoted Investments</i>	0.01

*Number of shares is not available with the company.

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

6. Other Non-current Financial Assets**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Bank Deposits (With Original Maturity for more than 12 Months)	23.89
Total	23.89

7. Inventories (Basis of Valuation Refer Note 2)**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Consumable Stores	100.60
Total	100.60

8. Trade Receivables**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Unsecured	
Considered Good	1,882.05
Credit Impaired	-
	1,882.05
(Less): Allowance for Credit Impaired	(15.13)
(Refer Note 35 for ageing)	
Total	1,866.92

(Note: Trade receivables from related party is mentioned in related party transaction - Refer note no. 46)

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

9. Cash and Cash Equivalents**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Cash and cash equivalents	
Balances with banks	36.19
Cash on hand	4.89
Total	41.08

10. Bank balances other than (iii) above**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Balances with banks as margin money	7.52
Total	7.52

11. Loans – Current (Unsecured considered good)**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Advance to employees	3.98
Advance to others	1.90
Other advances	52.79
Total	58.67

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

12. Other Current Financial Assets

Rs. in millions, unless otherwise stated	
Particulars	As at 31st March 2022
Electricity Deposits	0.49
Rent Deposit	1.72
Telephone Deposit	0.03
Other Deposits	8.56
Insurance Claim receivable	39.79
Total	50.59

13. Current Tax Assets (Net)

Rs. in millions, unless otherwise stated	
Particulars	As at 31st March 2022
Advance Tax and TDS - TCS Receivable	168.92
Total	168.92

14. Other Current Assets (Unsecured and Considered Good)

Rs. in millions, unless otherwise stated	
Particulars	As at 31st March 2022
Advances to suppliers	134.24
Balance with Govt authorities	0.89
Pre-Paid Expenses	19.25
Total	154.38

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****15. Equity Share capital****Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Authorised Shares	
1,00,000 equity shares of Rs. 10/- each	1.00
Issued, Subscribed and Fully Paid-Up Shares	
Equity Shares	
1,00,000 equity shares of Rs. 10/- each	1.00
Total	1.00

Terms and Rights:

- The company has only one class of equity shares having a value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
- 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, The distribution will be in proportion to the number of equity shares held by the shareholders.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**Rs. in millions, unless otherwise stated**

Equity Shares	Face Value	No.	Amount
At the beginning of the period at 01.04.2021	Rs. 10	1,00,000	1.00
Other Adjustments		-	-
Outstanding at the end of the period at 31.03.2022	Rs. 10	1,00,000	1.00

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****(b) Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31st March 2022	
	No. of Shares (FV Rs.10 each)	% of holding in the class
Jitendrakumar Haridas Lal	50,000	50.00%
Ashokkumar Lal	50,000	50.00%
Total	1,00,000	100.00%

(c) Shareholding of Promoters

Particulars	As at 31st March 2022		
	No. of Shares (FV Rs.10 each)	% of holding in the class	% Change during the year
Jitendrakumar Haridas Lal	50,000	50.00%	-
Ashokkumar Lal	50,000	50.00%	-
Total	1,00,000	100.00%	-

16. Other Equity

Rs. in millions, unless otherwise stated

Particulars	As at 31st March 2022
Retained Earnings	126.94
Partner's Capital	1,401.77
Total	1,528.71

(a) Retained Earnings

Particulars	As at 31st March 2022
Balance at Beginning of the Period/Year	-21.96
Add: Profit / (Loss) For The Year	834.62
Less: Provision for gratuity	1.34
Less: Provision for audit fees	-

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Particulars	As at 31st March 2022
Less: Provision of ECL	-
Less: Transfer to Partner's Capital A/c	(676.42)
Less: Retained Earning Effect given for Fixed Assets	(10.64)
Balance at End of the Period/Year	126.94

Nature and purpose of each reserve: -

- Retained earnings** - It is presented in the balance sheet as a component of shareholders' equity. The statement of retained earnings shows the changes in retained earnings over a specific period.
- Partner's Capital** - The company got converted from a partnership firm to a public company dated 11th April, 2024. As per the requirement of ICDR Regulations, the company is required to prepare restated financial statements in accordance with Schedule III of the Companies Act. For the financial years ended March 31, 2022, the partner's capital has been reclassified and presented under Reserves & Surplus, in compliance with the requirements of Schedule III.

17. Non-current Borrowings**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Secured: (Term loan)	
From Banks	133.65
From NBFCs	103.69
Unsecured:	
Loan from Related Parties	1,249.22
Loan from Others	219.40
Inter Corporate Deposit	58.93
Total	1,764.89

Note on Borrowings:**i) Car loan from HDFC Bank Ltd (Kia car loan)**

Secured car loan of Rs. 33 lakhs sanctioned on 16th April 2021 at a fixed interest of 7.45% p.a. The Loan is repayable in 36 monthly installments of Rs 1,02,665/- commencing on 07/05/2021 and ending on 07/04/2024 and is secured against the hypothecation of the car.

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information****ii) Commercial vehicle loan from HDFC Bank Ltd (Hitachi- Used commercial equipment)**

Secured loan of Rs. 45 lakhs sanctioned on 12th July 2021 at fixed interest of 8.01% p.a. The Loan is repayable in 36 equal monthly installments of Rs 1,41,040/- commencing on 10/08/2021 and ending on 10/07/2024 and is secured against hypothecation of the financed vehicle.

iii) Commercial vehicle loan from HDFC Bank Ltd (Handler machine- Used commercial equipment)

Secured loan of Rs. 160 lakhs sanctioned on 12th July 2021 at fixed interest of 7.76% p.a. The Loan is repayable in 36 equal monthly installments of Rs 5,01,490/- commencing on 10/08/2021 and ending on 10/07/2024 and is secured against hypothecation of the financed vehicle.

Secured loan of Rs. 145 lakhs sanctioned on 12th July 2021 at fixed interest of 7.76% p.a. The Loan is repayable in 36 equal monthly installments of Rs 4,54,470/- commencing on 10/08/2021 and ending on 10/07/2024 and is secured against hypothecation of the financed vehicle.

iv) Unsecured Loans

Loan from Related Parties and others represent interest bearing loans received by the Company, which has been obtained for business purposes and repayable on demand with rate of interest ranging from 7% to 12%.

17. Current Borrowings

Rs. in millions, unless otherwise stated	
Particulars	As at 31st March 2022
Secured:	
Working Capital Loans	255.51
Current Maturity of Non-current Borrowings	329.31
Total	584.82

Note on Borrowings:

- i) Temporary bank overdraft facilities taken from ICICI Bank of Rs 300 lakhs and is secured against all movable fixed assets. There is personal guarantee of Jitendra Haridas Lal and Ashok Haridas Lal.
- ii) Temporary bank overdraft facilities taken from Kotak bank of Rs 700 lakhs. It is primarily secured against hypothecation of all current assets of the company and is collaterally secured against hypothecation of commercial vehicles/ construction equipment. There is personal guarantee of Jitendra Haridas Lal and Ashok Haridas Lal.
- iii) Cash credit facility taken from Kotak bank of Rs 2000 lakhs. It is primarily secured against hypothecation of all current assets of the company and is collaterally secured against hypothecation of immovable property having postal address Shop no 1 to 7, FF, and Shop No 1 to 7, U, GF, Croma, Shreeji, Opp. ICICI Bank, Indira Marg, Jamnagar- 361001 which is in the name of Krishnaraj Buildcon Private Limited. There is personal guarantee of Jitendra Haridas Lal and Ashok Haridas Lal.

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****18. Trade Payables****Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Due to Micro Enterprises and Small Enterprises	-
Due to Other than Micro and Small Enterprises	452.76
(Refer Note 36 for ageing)	
Total	452.76

(Note: Trade Payables from related party is mentioned in related party transaction - Refer Note No. 46

Disclosure under Micro, Small and Medium Enterprise Development Act 2006 – Refer Note No. 44)

19. Other Financial Liabilities**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
Deposit	49.94
Other Liabilities	150.00
Provisions	199.94

20. Other Current Liabilities**Rs. in millions, unless otherwise stated**

Particulars	As at 31st March 2022
TDS - TCS Payable	12.50
GST Payable	26.50
PF Payable	0.04
PT Payable	0.01
ESI Payable	0.00
Other Liabilities	782.50
Advanced From Customers	106.07
Total	927.62

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

21. Provisions

Rs. in millions, unless otherwise stated	
Particulars	As at 31st March 2022
<u>Current</u>	
<i>Provision for Employee Benefits</i>	
Gratuity	1.20
<i>Others</i>	
Provision for Expenses	80.15
Total	81.35
<u>Non-Current</u>	
<i>Provision for Employee Benefits</i>	
Gratuity	24.10
Total	24.10

22. Current Tax Liabilities (Net)

Rs. in millions, unless otherwise stated	
Particulars	As at 31st March 2022
Current Tax Provisions	196.27
Total	196.27

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

23. Revenue from Operations**Rs. in millions, unless otherwise stated**

Particulars	Fiscal 2022
Revenue from Operations:	5,719.73
Total	5,719.73

Geographical Bifurcation**Rs. in millions, unless otherwise stated**

Particulars	Fiscal 2022
India Division	5,379.25
Africa Division	47.55
Sri Lanka Division	292.93
Total	5,719.73

Service Bifurcation**Rs. in millions, unless otherwise stated**

Particulars	Fiscal 2022
Cargo Handling	3,858.89
Transportation	775.05
Fleet Chartering and Equipment rentals	1,036.91
Other Operating Revenue	48.89
Total	5,719.73

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

24. Other Income

Rs. in millions, unless otherwise stated	
Particulars	Fiscal 2022
Apprentice Subsidy	0.01
Interest Income	1.18
Dividend Income	0.00
Foreign Exchange Fluctuations (Gain)(net)	4.31
Interest on Income Tax Refund	0.39
Kasar / Discount	0.41
Miscellaneous Income	0.00
Short-Term Capital Gain	0.15
Total	6.46

25. Cost of Services

Rs. in millions, unless otherwise stated	
Particulars	Fiscal 2022
Inventory (Consumables) at the beginning of the year	75.79
Add:	
Cargo Handling Expenses	2,842.01
Material Purchase	7.69
Equipment Hiring Expenses	237.98
Operational Wages Expenses	331.14
Transportation Expense	521.53
Total	4,016.15

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Less: Inventory (Consumables) at the end of the year	100.60
Total	3,915.55

26. Employee Benefit Expense**Rs. in millions, unless otherwise stated**

Particulars	Fiscal 2022
Salary	44.26
Contribution to Provident and Other Fund:	
Provident Fund	0.50
ESIC	0.05
LWF	0.00
Gratuity	11.28
Employees Welfare Expense	6.59
Total	62.68

27. Finance Cost**Rs. in millions, unless otherwise stated**

Particulars	Fiscal 2022
Interest	148.96
Other borrowing costs	3.17
Total	152.13

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

28. Depreciation And Amortization Expenses

Rs. in millions, unless otherwise stated	
Particulars	Fiscal 2022
Depreciation of PPE	119.27
Amortization of Intangible Assets	0.13
Total	119.41

29. Other Expenses

Rs. in millions, unless otherwise stated	
Particulars	Fiscal 2022
Audit fees (Refer Note 32)	0.52
Advertisement & Promotion Expense	2.86
Africa Division Expense	15.75
Bad Debts	0.03
Travel & Conveyance Expense	26.85
Transportation Expense	37.59
Donation	103.34
Electricity Expense	1.91
Insurance Expense	59.43
Legal & Professional Fees Expense	33.97

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Particulars	Fiscal 2022
Office General Expense	5.67
Provision/(Reversal) for doubtful debts	9.56
Rent Expense - Building	9.26
Repair & Maintenance Expense (Building & others)	12.84
Site Expense	9.93
Stationary & Postage Expense	2.69
Miscellaneous Expenses	3.54
Total	335.73

29. Other Comprehensive Income

Rs. in millions, unless otherwise stated

Particulars	Fiscal 2022
Items that will not be reclassified to profit or loss	
Remeasurements of the defined benefit plans	1.34
Income Tax effect of above	(0.34)
Total	1.00

30. Earnings Per Share (EPS)

a) Net Profit attributable to Equity Shareholders (₹ in million)	834.62
b) Weighted Average Number of Equity Shares	14,66,15,600
c) Basic Earnings per share in Rs.	5.69
d) Diluted Earnings per share in Rs.	5.69
e) Face value per share	10.00

31. Payment to Auditors

Rs. in millions, unless otherwise stated	
Particulars	Fiscal 2022
Statutory Auditor: -	
Statutory Audit Fees	0.52
Total	0.52

32. Exceptional Items

Rs. in millions, unless otherwise stated	
Particulars	Fiscal 2022
(Loss) / Profit on Sale of Assets	1.00
Total	1.00

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****33. Intangible assets under development**

Particulars	Rs. in millions, unless otherwise stated
As at March 31, 2022	18.05

Ageing: -

Rs. in millions, unless otherwise stated

Intangible assets under development	As at 31/03/2022				Total
	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.47	4.32	10.26	-	18.05
Projects temporarily suspended	-	-	-	-	-
Total	3.47	4.32	10.26	-	18.05

34. Capital Work in Progress

Particulars	Rs. in millions, unless otherwise stated
As at March 31, 2022	429.63

Ageing: -

Rs. in millions, unless otherwise stated

Capital Work in Progress	As at 31/03/2022				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Projects in progress	321.50	108.13	-	-	429.63
Projects temporarily suspended	-	-	-	-	-
Total	321.50	108.13	-	-	429.63

35. Trade Receivables - Ageing Schedule

Rs. in millions, unless otherwise stated

Particulars	As at 31/03/2022					Total
	Outstanding for following periods from due date of payment*					
	Less than 6 Months	6 Months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – Considered good	1,106.41	257.15	362.05	96.56	59.88	1,882.05
Undisputed Trade Receivables – which have Significant increase in Credit Risk	-	-	-	-	-	-
Undisputed Trade Receivables – Credit Impaired	-	-	-	-	-	-
Disputed Trade Receivables – Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have Significant increase in Credit Risk	-	-	-	-	-	-
Disputed Trade Receivables – Credit Impaired	-	-	-	-	-	-
Total	1,106.41	257.15	362.05	96.56	59.88	1,882.05
Less: Allowance for credit impaired balances	(2.21)	(1.93)	(5.43)	(2.41)	(3.14)	(15.13)
Total	1,104.20	255.22	356.62	94.15	56.74	1,866.92

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****36. Trade Payables - Ageing Schedule**

Rs. in millions, unless otherwise stated

Particulars	As at 31/03/2022					Total
	Outstanding for following periods from due date of payment					
	Not Due for Payment	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	435.14	12.52	0.77	4.34	452.76
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	-	435.14	12.52	0.77	4.34	452.76

37. Deferred Tax Liability (Net)

Rs. in millions, unless otherwise stated

<u>Deferred Tax Liability (Net)</u>	Deferred tax Liabilities / (Assets) in relation to:					
	Fixed Asset	Expenses claimed for tax purpose on payment basis	Gratuity	ECL	MAT Credit Entitlement	Total
Opening Balance April 1, 2021	-	-	-	-	-	-
Recognised in Profit & Loss	119.60	-	(6.37)	(2.41)	-	110.82
Recognised in Other Comprehensive Income	-	-	-	-	-	-
Closing Balance March 31, 2022	119.60	-	(6.37)	(2.41)	-	110.82

38. Operating Segment

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

In accordance with Ind AS 108 “Operating Segments”, segment information has been given in the consolidated Ind AS financial statements, and therefore, no separate disclosure on segment information is given in these Financial Statements

39. Financial Instruments**Category of Financial Instrument****Rs. in millions, unless otherwise stated**

Particulars	As at March 31, 2022		
	Fair value through profit and loss	Fair value through OCI	Amortised cost
Financial assets			
Non- Current			
Investments	-	0.01	-
Financial Security Deposits	-	-	-
Bank Deposits (With Original Maturity for more than 12 Months)	-	-	23.89
Current			
Trade Receivables	-	-	1,866.92
Cash and cash equivalents	-	-	41.08
Bank Balances other than above	-	-	7.52
Loans	-	-	58.67
Other Current Financial Assets	-	-	50.59
Total	-	0.01	2,048.67
Non- Current			
Borrowings	-	-	1,764.89
Current			
Borrowings	-	-	584.82

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Particulars	As at March 31, 2022		
	Fair value through profit and loss	Fair value through OCI	Amortised cost
Trade Payable	-	-	452.76
Other Financial liabilities	-	-	199.94
Total	-	-	3,002.41

40. Fair Value Measurement Hierarchy

Rs. in millions, unless otherwise stated

Particulars	As at March 31, 2022		
	Level-1	Level-2	Level-3
Investments	-	-	0.01

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

All financial assets and liabilities are categorised under a Amortised Cost, hence there are no fair value adjustments and therefore hierarchy table not applicable.

41. Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i) Credit risk:

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

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

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, demographics of the customers, default risk of the country in which the customer operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customer to which the Company grants credit terms in the normal course of business.

The Company has used Expected Credit Loss (ECL) model for assessing the impairment loss.

Rs. in millions, unless otherwise stated	
Particulars	As at March 2022
Trade Receivables	1,882.05
Allowance for Doubtful Debts	15.13
Percentage	0.80%

Reconciliation of Loss Allowance Provision - Trade Receivables	Rs. in millions, unless otherwise stated
Loss Allowance as at 31st March, 2022	15.13

Cash and Cash Equivalents

"Credit risk from balances with banks is managed by the Company's Finance department team in accordance with the Company's policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the Cash & Cash Equivalents components of the balance sheet at March 31, 2022 is the carrying amounts as illustrated in the Balance Sheet."

Other Financial Assets

Other Financial Assets are neither past overdue nor impaired.

ii) Liquidity Risk

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Company.

iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, and foreign currency receivables and payables.

Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue, expense or capital expenditure is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Commodity rate risk

The Company's operating activities involve purchase and sale of machinery related items, whose prices are exposed to the risk of fluctuation over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies.

42. Revenue from Contracts with Customers

The reconciling items of revenue recognised in the statement of profit and loss with the contracted price are as follows:

Rs. in millions, unless otherwise stated	
Particulars	As at March 2022
Revenue as per contracted price, net of returns	5,719.73

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

Add / (Less): Provision for Warranty	-
Revenue from contract with customers	5,719.73

Rs. in millions, unless otherwise stated

Contract balances	As at March 2022
Trade receivables	1,866.92
Contract Liabilities	106.07

Contract liabilities are on account of the upfront revenue received from customer (advance from customer) for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

43. Contingent Liability and Commitments:**Rs. in millions, unless otherwise stated**

Particulars	Fiscal 2022
a) Contingent Liabilities	
Tax Litigations*	273.29
Bank guarantees for performance, Earnest Money & Security Deposits	57.28
Arbitration Proceedings**	130.29
Motor Vehicle Accident Litigations	3.00
b) Commitments	
Amount payable for investment made in wholly- owned subsidiary#	Nil

*The company has two (2) outstanding demands of service tax aggregating ₹ 24,33,14,170/- for the period from 01-07-2003 to 30-06-2010. Order of the same was received in our favour by CESTAT however the department has filed an appeal before Supreme Court and the same is under process.

*The company has three (3) outstanding demands of CENVAT credit aggregating ₹ 2,99,76,907/- for the period from 01-10-2012 to 30-10-2017 and the same is pending before the department.

** The Company is currently in arbitration proceedings with Amit Acetylene, involving a disputed amount of ₹2,02,86,563. The jurisdiction for this matter lies with the National Company Law Tribunal (NCLT), Ahmedabad. The Company awaits the decision from the Ahmedabad Arbitration Centre, which is currently pending.

** The Company is currently engaged in arbitration proceedings with Vedanta Limited, involving a disputed amount of ₹11,00,00,000. The jurisdiction for this matter lies with the High Court of Delhi. The Company awaits the decision from the Delhi International Arbitration Centre, which is currently pending.

44. Disclosure required under Micro, Small and Medium Enterprise Development Act 2006

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

The company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the Companies Act, 2013 have not been made.

45. Defined Benefit Plans- As per actuarial valuation**I. Gratuity:**

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements: -

i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Rs. in millions, unless otherwise stated	
Particulars	As at March 31, 2022
Present value of Obligation at the Beginning of the period	15.36
Current Service Cost	10.23
Interest Cost	1.04
Benefits paid	-
Actuarial (Gains)/Losses on Obligations -	-
- Due to Change in Financial Assumptions	-
- Due to Experience adjustments	(1.34)
Present value of obligation at the end of the year	25.29

ii) Reconciliation of opening and closing balances of the Fair Value of Plan Assets

Rs. in millions, unless otherwise stated	
Particulars	As at March 31, 2022

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Fair Value of Plan Assets at the Beginning of the Period	-
Interest Income	-
Contributions by the Employer	-
Assets Transferred In/ Acquisitions	-
Benefit Paid from the Fund	-
Return on Plan Assets, Excluding Interest Income	-
Present value of obligation at the end of the year	-

iii) Net asset / (liability) recognized in the Balance Sheet**Rs. in millions, unless otherwise stated**

Particulars	As at March 31, 2022
Present value of unfunded obligations	25.29
Fair Value of Plan Assets at the end of the Period	-
Net Liability (Asset)	25.29

iv) Bifurcation of liability as per schedule III**Rs. in millions, unless otherwise stated**

Particulars	As at March 31, 2022
Current Liability*	1.20
Non-Current Liability	24.10
Net liability	25.29

* The current liability is calculated as expected benefits for the next 12 months.

v) Expense recognised in the Statement of Profit and Loss under employee benefits expense:**Rs. in millions, unless otherwise stated**

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Particulars	During the year ended 31 March 2022
Current Service Cost	10.23
Interest Cost	1.04
Expenses recognised in the Statement of profit & loss Account	11.28

vi) Amount recognized in the other comprehensive income:**Rs. in millions, unless otherwise stated**

Particulars	During the year ended 31 March 2022
Actuarial (Gain)/ Loss due to financial assumptions	-
Actuarial (Gain)/ Loss due to experience adjustments	(1.34)
Return/(Loss) on Plan Assets, Excluding Interest Income	-
Net (Income)/ Expenses recognised in OCI	(1.34)

vii) Actuarial Assumptions**Rs. in millions, unless otherwise stated**

Particulars	As at March 31, 2022
Mortality Rate:	Indian Assured Lives Mortality 2012-14 (Urban)

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

Retirement Age:	60 years
Discount rate	6.80% p.a (Indicative G.Sec referenced on 31-03-2021)
Salary Escalation Rate	7.00% p.a
Attrition Rates	5.00% p.a for all service group

viii) Sensitivity analysis**Rs. in millions, unless otherwise stated**

Particulars	As at March 31, 2022
Delta Effect of +1.0% Change in Rate of Discounting	21.63
Delta Effect of -1.0% Change in Rate of Discounting	29.99
Delta Effect of +1% Change in Rate of Salary Increase	29.93
Delta Effect of -1.0% Change in Rate of Salary Increase	21.61
Delta Effect of +0.1% Change in Withdrawal rate	25.20
Delta Effect of -1% Change in Withdrawal rate	25.41

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI

Notes to the Financial Information

46. Related Parties Disclosure

I. List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

a) Entities where there is Significant Influence through KMP or their relatives

- Aathiya Complexes and Motels Private Limited
- Adwaita Navigations Private Limited
- Alfalal Shipping Private Limited
- Amidhara Builders Private Limited
- Khorshed Buildcon Private Limited
- Krishanraj Buildcon Private Limited
- Krishanraj Shipping Private Limited
- Narrottamka Commodities Private Limited
- Nomadic Solutions Private Limited
- Sarthak Buildcon Private Limited
- Shakti Clearing Agency Pvt. Ltd.
- Shreeji Aviation Private Limited
- Shreeji Coke and Energy Private Limited
- Shreeji Holiday Hotels Private Limited
- Shreeji News Publication (Gujarat) Private Limited
- Shreeji Shipping Lanka Private Limited
- Shreeji Shippers Private Limited
- Shreeji Shipping Services (India) Limited
- Shreeji Tastes Private Limited
- Shreeji Global IFSC Private Limited
- Shreeji Nuravi Coal Mining and Trading Private Limited
- Siddhi Wind Energy Private Limited
- Trincass Vyapar Private Limited
- Viraj Buildcon Private Limited
- Siddhi Marine Line LLP
- Kent Commodeal LLP – Strike off
- Shreeji Investors
- M.Bharatkumar & Co. (Partnership)

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI

Notes to the Financial Information

- Shreeji Township
- Vision Developers
- Aquatic Shipping
- Satellite Developers
- Shreeji Mines
- Shreeji Developers
- M. Bharatkumar & Co. (Proprietor) (Proprietorship of Jitendra Haridas Lal)
- Shreenath Petroleum (Proprietorship of Jitendra Haridas Lal)
- N. K. Parmar & Co. (Proprietorship of Jitendra Haridas Lal)
- Shreeji Cold Chain (Proprietorship of Jitendra Haridas Lal)
- Shreeji Roadways (Proprietorship of Ashokkumar Haridas Lal)
- Shreeji Cold Storage (Proprietorship of Ashokkumar Haridas Lal)
- Krishna Roadways (Proprietorship of Krishnaraj Jitendra Lal)
- Shreeji Fuel Station (Proprietorship of Krishnaraj Jitendra Lal)
- Shreeji Petroleum (Proprietorship of Mitesh Ashokkumar Lal)
- Shreenath Roadways (Proprietorship of Viraj Ashokkumar Lal)
- Ashokkumar H. Lal (HUF)
- Jitendra H. Lal (HUF)
- Haridas Jivandas Lal Charitabel Trust
- Kedar Lal (Kedar Jitendra Lal) Foundation
- Ashok Lal Family Beneficiary Trust
- Jitendra Lal Family Beneficiary Trust
- Shreeji Shipping Services International FZE
- Numen Global PTE LTD
- Shreeji Maritime Global LLC FZ
- Shreeji Buildworth Private Limited

b) Key Management personnel (KMP)

- Ashok H Lal
- Jitendra H Lal

Director

Director

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

- Archanaba K Gohil
- Harshida J Bhanushali

Company Secretary
Chief Financial Officer

c) Relatives of Key Management personnel (KMP)

- | | |
|------------------------------------|------------------|
| • Manjulaben Haridas Lal | Mother |
| • Dinaben Ashokbhai Lal | Spouse |
| • Jitendra Haridas Lal | Brother |
| • Ranjanben Natwar Lal Thakkar | Sister |
| • Naynaben Raja | Sister |
| • Shobhanaben Jitendrakumat Bacchu | Sister |
| • Mitesh Ashokkumar Lal | Son |
| • Viraj Ashokkumar Lal | Son |
| • Vidhi Miteshbhai Lal | Daughter-in-Law |
| • Riddhi Virajbhai Lal | Daughter-in-Law |
| • Prakash Girdharlal Anadkat | Spouse's Brother |
| • Manjulaben Haridas Lal | Mother |
| • Kamalben Jitendra Lal | Spouse |
| • Ashokkumar Haridas Lal | Brother |
| • Ranjanben Natwar Lal Thakkar | Sister |
| • Naynaben Raja | Sister |
| • Shobhanaben Jitendrakumat Bacchu | Sister |
| • Krishnaraj Jitendra Lal | Son |
| • Kedar Hari Jitendra Lal | Son |
| • Komal Krishnaraj Lal | Daughter-in-Law |
| • Kokilaben Jagdishbhai Thakkar | Spouse's Mother |
| • Raghuvir Jagdishbhai Thakkar | Spouse's Brother |
| • Darshanbhai Jagdishbhai Thakkar | Spouse's Brother |
| • Yashrajbhai Jagdishbhai Thakkar | Spouse's Brother |
| • Smitaben Kiritbhai Gadhiya | Spouse's Sister |
| • Prarthanaben Jiteshbhai Kanabar | Spouse's Sister |

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information****II. Transactions with Related Parties:**

Particulars	During the year ended 31 March 2022
Sales	
Siddhi Marine Services LLP	205.64
Krishna Roadways	0.66
Shreeji Petroleum	54.14
Krishnaraj Shipping Co. Ltd.	18.32
Alfalal Shipping Pvt. Ltd.	0.40
Shakti Clearing Agency Pvt. Ltd.	39.14
Cargo Handling Expense	
N.K. Parmar & Co.	4.42
Siddhi Marine Services LLP	272.04
Kamalben J Lal	1.05
Viraj A Lal	2.21
Shreeji Petroleum	12.49
Shreenath Petroleum	16.00
Krishnaraj Jitendra Lal	0.40
Siddhi Wind Energy Pvt. Ltd.	1.23
Shreeji Coke and Energy Pvt. Ltd.	3.10
Shreeji Fuel Station	2.85
Shreeji Shipping Lanka Private Limited	9.94
Shreeji Shipping Services (I) Ltd.	48.73
Krishnaraj Shipping Co. Ltd.	57.16
Alfalal Shipping Pvt. Ltd.	30.35

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Particulars	During the year ended 31 March 2022
Rent Expense	
Amidhara Builders Pvt. Ltd.	0.04
Khorshed Buildcon Pvt. Ltd.	0.09
Kamalben J Lal	0.57
Manjulaben H Lal	0.36
Viraj A Lal	0.42
Sarthak Buildcon Pvt. Ltd.	0.05
Krishnaraj Jitendra Lal	0.62
Viraj Buildcon Pvt. Ltd.	0.02
Jitendra H. Lal	0.72
Ashok H Lal	0.50
Interest On loan	
Ashok H Lal (HUF)	1.43
Jitendra H Lal (HUF)	0.87
Narottamka Commodities Pvt. Ltd.	35.56
Trincass Vyapar Pvt. Ltd.	57.47
Dinaben A Lal	1.50
Transportation Expense	
Krishna Roadways	10.82
Travel & Conveyance Expense	
Aatithya Complex & Motels Pvt. Ltd.	0.10
Krishnaraj Buildcon Pvt. Ltd.	28.66
Shreeji Aviation Pvt. Ltd.	1.73

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Particulars	During the year ended 31 March 2022
Advertisement and Promotion Expense	
Shreeji News Publication (Guj) Pvt. Ltd.	0.64
Remuneration	
Harshida J Bhanushali	0.72
Loan taken	
Ashok H Lal (HUF)	1.48
Jitendra H Lal (HUF)	5.86
Mitesh A Lal	93.00
Narottamka Commodities Pvt. Ltd.	182.50
Trincass Vyapar Pvt. Ltd.	652.00
Shreeji Petroleum	2.47
Krishnaraj Jitendra Lal	55.00
Dinaben A Lal	6.76
Loan Repaid	
Ashok H Lal (HUF)	0.48
Jitendra H Lal (HUF)	0.32
Mitesh A Lal	67.10
Narottamka Commodities Pvt. Ltd.	337.80
Trincass Vyapar Pvt. Ltd.	421.50
Krishnaraj Jitendra Lal	52.50
Dinaben A Lal	12.14

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI**Notes to the Financial Information**

Particulars	Balance as on 31 March 2022
Trade Receivables	
Shreenath Petroleum	1.04
Shreeji Shipping Lanka Private Limited	1.21
Shakti Clearing Agency Pvt. Ltd.	15.40
Trade Payables	
N.K. Parmar & Co.	7.60
Siddhi Marine Services LLP	50.25
Shreeji Petroleum	1.60
Krishnaraj Jitendra Lal	1.01
Krishnaraj Buildcon Pvt. Ltd.	0.00
Shreeji Coke and Energy Pvt. Ltd.	2.29
Shreeji Fuel Station	0.18
Shreeji Shipping Services (I) Ltd.	69.65
Krishnaraj Shipping Co. Ltd.	88.68
Alfalal Shipping Pvt. Ltd.	8.38
Loan	
Ashok H Lal (HUF)	12.26
Jitendra H Lal (HUF)	5.78
Mitesh A Lal	25.91
Narottamka Commodities Pvt. Ltd.	334.65
Shreeji Petroleum	2.47
Trincass Vyapar Pvt. Ltd.	849.32
Krishnaraj Jitendra Lal	12.17
Dinaben A Lal	6.67
<i>* This balance includes loans generated on of account conversion of partner's capital account into loan.</i>	

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)

Annexure VI

Notes to the Financial Information

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

47. Capital Management

The Company's Capital Management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents. The Company's objective for capital management is to maintain an optimum overall financial structure.

Net Debt to Equity Ratio

Rs. in millions, unless otherwise stated	
Particulars	As at March 2022
Long term borrowings	1,764.89
Short Term Borrowings	584.82
Less: Cash and cash equivalent	(41.08)
Net debt	2,308.63
Total equity	1,529.71
Net Debt to Equity Ratio (in Times)	1.51

48. Additional regulatory information

- i) The Company do not hold any benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii) The Company do not have any transactions with struck-off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- iii) The Company does not have any charge which is yet to be registered/satisfied with ROC beyond the statutory period.
- iv) "The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

- v) "The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
- Or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,"
- vi) The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vii) The Company have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- viii) The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

49. First Time Ind AS Adoption Reconciliation

For the purpose of Special Purpose Ind AS Financial Statement for the period ended March 31, 2022, the Company has adopted Ind AS with effect from 1st April 2024 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at 1st April 2021. The figures for the previous periods have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS: -

(i) Classification and measurement of financial assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

(ii) Deemed cost of property, plant and equipment and intangible assets

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

(iii) Fair value measurement of financial assets and financial liabilities at initial recognition

The Company has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Company.

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

(iv) Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

I) Reconciliation of Total Comprehensive Income**Rs. in millions, unless otherwise stated**

Particulars	As at March 31, 2022
Profit for the year as per previous GAAP	676.42
<u>Add / (Less) : Adjustments for GAAP Differences</u>	
Depreciation expense	485.94
Profit/loss on sale of Fixed Assets	0.19
Provision of Income Tax	(196.26)
Provision of Deferred Tax	(119.60)
Provision for Expected Credit Losses	(9.56)
Recognition of Gratuity Liability as per Actuarial Valuation	(9.94)
Tax impact on Ind AS adjustments	(0.35)
Deferred tax impact	8.77
Other Ind AS adjustments	-
Total Comprehensive Income as per Ind AS	835.62

II) Notes on reconciliations between previous GAAP and Ind AS

The company was earlier a partnership firm i.e. M/s Shreeji Shipping. The same was converted to a company as on 11.04.2024. Thus, Appropriate adjustments have been made in the restated statement of assets and liabilities, restated statement of profit and loss and restated statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the company as at and for the year ended 31 March 2022, 31 March 2021, 31 March 2020 prepared in accordance with Revised Schedule III to the Act and in compliance with Indian Accounting Standards (Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act, to the extent applicable and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended). Summarized above are the restatement adjustments

SHREEJI SHIPPING GLOBAL LIMITED

CIN: U52242GJ2024PLC150537

(All amounts are in Indian Rupees millions, unless otherwise stated)**Annexure VI****Notes to the Financial Information**

made to the Total Comprehensive Income and its Impact on Total Equity of Audited financial statements for year ended 31st March, 2022 special purpose Ind AS audited financial statements of the company and with audited partnership account of the company of respective period and their consequential impact on the profit/(loss) of the company. Accordingly, suitable restatement adjustments (both re-measurements and re-classifications) in the accounting heads are made to the Ind AS financial information as of and for the financial years ended March 31, 2022 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1st April, 2021).

50. Other Confirmations:

(a) Certain previous year amounts have been reclassified for consistency with the current year presentation. Such reclassification did not have any impact on the current year restated consolidated financial information. (Refer Part B of Annexure-VI for material reclassifications).

(b) The figures have been rounded off to the nearest million of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.

For Sarda & Sarda
Chartered Accountants
FRN: 109264W

Sd/-

Rajnikant Pragada
Proprietor
Membership No: 118132

For and on behalf of board of directors of SHREEJI SHIPPING GLOBAL LIMITED

Sd/-

Jitendrakumar Haridas Lal
Joint Managing Director
DIN: 00991555

Sd/-

Ashokkumar Lal
Chairman and Managing Director
DIN: 01736933

Sd/-

Archanaba Gohil
Company Secretary

Sd/-

Harshida Bhanushali
Chief Financial Officer

Place: Jamnagar**Date: December 29, 2024****Place: Jamnagar****Date: December 29, 2024****Place: Jamnagar****Date: December 29, 2024**