MITTAL GUPTA & CO.

Chartered Accountants

Regd. Off: 14-Ratan Mahal, 15/197-Civil Lines, Kanpur-208001.

Fax: 0512-2303235, Phone: 2303234 # E –mail:mgco@mgco.ca.com

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Ehaat Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Ehaat Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read 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 March 31, 2019, its loss including other comprehensive loss, its changes in equity and cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information included in Annual Report which does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Since, we have not obtained the other information prior to the date of this auditor's report; we are unable to comment thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 is 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 SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure – 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable. As required by Section143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company did not have any pending litigations on its financial position in its financial statements.

    ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

    iii. As explained, there has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

h) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

FOR MITTAL GUPTA & CO.
Chartered Accountants
FRN 01874C

MITTAL GUPTA & Co. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

(Dinesh Kumar Nigam)
Partner
Membership No. 041427

Place: New Delhi
Date: 20.05.2019

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ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure – 'A' referred to in our Independent Auditors' Report of even date to the members of the Ehaat Limited on the financial statements for the year ended March 31, 2019:

i) In respect of its Property , Plant And Equipment:

a) The company has generally maintained proper records showing full particulars including quantitative details and situation of Property Plant and Equipment.

b) According to the information and explanation given to us, there is a regular program of verification of Property, Plant And Equipment by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets Property Plant And Equipment have been physically verified by the management at the year end and as per the report, no material discrepancies were noticed on such verification.

c) The company does not have any immovable properties of freehold or leasehold land and building and hence reporting under the clause 3(i) (c) of the Order is not applicable.

ii) In respect of its Inventory:

a) According to the information and explanations given to us, the inventories lying at warehouses has been physically verified by the company at the end of the year. However, inventories in transit at warehouses have not been physically verified by the management.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

c) According to the information and explanation given to us, no material discrepancies have been noticed on physical verification of inventories.

iii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any secured and unsecured loans to companies, firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, therefore paragraph (iii) of the Order is not applicable to the company.

MITTAL GUPTA & Co. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

iv) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Companies Act 2013. Therefore, the provision of clause 3(iv) of the said order is not applicable to the Company.

v) According to the information and explanations given to us, in our opinion, the Company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act read with the Companies (Acceptance & Deposit) Rules 2014 and other relevant provisions of the Act, to the extent notified.

vi) According to the information and explanation given to us maintenance of Cost Records U/s-148 (1) of the Companies Act, 2013 as prescribed by the Central Government are not applicable to the company.

vii) In respect of statutory dues:

a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Sales Tax, value added tax (VAT), Goods and Service Tax (GST), Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it, with the appropriate authorities.

b) According to the information and explanations given to us, the particulars of Income tax, Service-tax, Sales-tax, Custom Duty, Excise Duty, Entry tax, Value Added Tax, Goods and Service Tax, there are no outstanding statutory dues that have not been deposited on account of any dispute.

viii) According to the information and explanations given to us, the Company has not defaulted in repayment of any loans or borrowings from any financial institutions or banks or government or debenture holders as at the balance sheet date.

ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provision of paragraph (ix) of the Order is not applicable to the company.

x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the company by its officers or employees, noticed or

MITTAL GUPTA & Co. Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants reported during the year, nor have we been informed of any such case by the Management.

xi) According to the information and explanations given to us and based on our examinations of the records, the Company has paid/provided managerial remuneration to any director in accordance with the requisite approvals mandated by the provisions of the section 197 read with Schedule V to the Act.

xii) As the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it, the provision of Paragraph (xii) are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examinations of the records, in our opinion, the transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly Convertible Debenture during the year. Accordingly, the provision of paragraph (xiv) of the Order is not applicable to the company.

xv) The Company has not entered into any non- cash transactions with its directors or persons connected with him. Accordingly, the provision of paragraph (xv) of the Order is not applicable to the company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of paragraph (xvi) of the Order is not applicable to the company.

FORMITTAL GUPTA & CO.
Chartered Accountants
FRN 01874C

MITTAL GUPTA & CO. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

(Dinesh Kumar Nigam)
Partner
Membership No. 041427

Place: New Delhi
Date: 20.05.2019

MITTAL GUPTA & CO.

Chartered Accountants

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ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(The Annexure – 'B' referred to in our Independent Auditors' Report to the members of the Ehaat Limited on the financial statements for the year ended March 31, 2019)

We have audited the internal financial controls with reference to financial statements of Ehaat Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to financial statement and their operating effectiveness. Our audit of internal financial control with reference to financial statement included obtaining an understanding of internal financial control with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statement.

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Meaning of Internal Financial Controls with reference to financial statement

A Company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statement

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at 31st March, 2019, based on the internal controls with reference to financial statement criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

FORMITTAL GUPTA & CO.
Chartered Accountants
FRN 01874C

MITTAL GUPTA & CO. 14 Ratan Mahal 15/197 Civil Lines Kanpur-1 Chartered Accountants

(Dinesh Kumar Nigam)
Partner
Membership No. 041427

Place: New Delhi
Date: 20.05.2019

EHAAT LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Amount in INR)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS			
(1)	**Non - current assets**			
	(a) Property, plant and equipment	4	11,352,244	9,395,855
	(b) Other intangible assets	4A	62,100	82,800
	(c) Financial assets			
	(i) Loans	5	1,073,870	220,000
	(ii) Others financial assets		-	-
	(d) Deferred tax asset (net)	7	-	19,123,000
	(e) Income tax assets(net)	8	183,410	-
	(f) Other non - current assets	6	84,662	-
	TOTAL NON CURRENT ASSETS		**12,756,286**	**28,821,655**
(2)	**Current assets**			
	(a) Inventories	9	182,268,242	2,761,196
	(b) Financial assets			
	(i) Trade receivables	10	37,811,546	1,278,388
	(ii) Cash and cash equivalents	11	1,243,410	1,235,719
	(iii) Loan receivables	12	1,546,680	2,513,000
	(iv) Other financial assets		-	-
	(c) Other assets	13	23,492,588	4,602,007
	TOTAL CURRENT ASSETS		**246,362,466**	**12,390,310**
	TOTAL ASSETS		**259,118,752**	**41,211,965**
	EQUITY AND LIABILITIES			
(1)	**EQUITY**			
	(a) Share Capital	14	37,700,000	37,700,000
	(b) Other equity	15	(78,568,374)	(56,160,661)
	TOTAL EQUITY		(40,868,374)	(18,460,661)
	LIABILITIES			
(2)	**Non - current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	16	7,000,000	35,100,000
	(b) Other Liabilities	17	155,568	-
	TOTAL NON CURRENT LIABILITIES		**7,155,568**	**35,100,000**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	16A	56,144,167	-
	(ii) Trade payables	18		
	(a) Due of MSME		1,928,485	-
	(b) Due of other than MSME		216,438,724	17,079,360
	(iii) Other Financial Liabilities	19	7,419,606	4,611,792
	(b) Other Liabilities	20	10,900,576	2,881,474
	TOTAL CURRENT LIABILITIES		**292,831,558**	**24,572,626**
	TOTAL EQUITY AND LIABILITIES		**259,118,752**	**41,211,965**

See accompanying notes 1 to 44 forming part of the financial statements.

As per our report of even date
FOR MITTAL GUPTA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO: 01874C

Dinesh Kumar

(Dinesh Kumar Nigam)
Partner
M.No.414272
Place : New Delhi
Date : 17.05.2019

MITTAL GUPTA & CO. 14, Ratna Mahal Civil Lines, Kanpur Chartered Accountants

For and on behalf of the Board of Directors

(Rahul Lalbhai Mehta)
Director
DIN-00047747

(Vineet Gupta)
Director
DIN-07780622

EHAAT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount in INR)

	Particulars	Note No.	Year ended Mar 31' 2019	Year ended Mar 31' 2018
I	Revenue from operations	21	617,733,284	53,635,311
II	Other income	22	10,792	641,763
III	**TOTAL INCOME (I + II)**		**617,744,076**	**54,277,074**
IV	**Expenses**			
	Purchase of Stock-in-Trade	23	738,273,314	55,646,470
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	24	(179,507,046)	(2,761,196)
	Employee benefits expenses	25	51,596,507	33,078,098
	Finance costs	26	12,635,204	2,634,809
	Depreciation and amortization expenses	27	3,328,062	4,245,326
	Other expenses	28	117,884,912	34,247,600
	TOTAL EXPENSES		**744,210,953**	**127,091,107**
V	**Profit / (loss) before exceptional items and tax (III - IV)**		(126,466,877)	(72,814,033)
VI	Exceptional items	29	123,182,164	-
VII	**Profit / (loss) before tax (V - VI)**		**(3,284,713)**	**(72,814,033)**
VIII	**Tax expense**	30		
	(a) Current tax		-	-
	(b) Deferred tax expense		19,123,000	(19,123,000)
			19,123,000	**(19,123,000)**
IX	**PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS (VII - VIII)**		**(22,407,713)**	**(53,691,033)**
X	**Other comprehensive income/(losses)**			
(A)	(i) Items that will not be reclassified to profit & loss :		-	-
	loss		-	-
(B)	(i) Items that will be reclassified to profit & loss		-	-
	(ii) Income tax relating to item that will be reclasified to profit & loss		-	-
	TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR(A + B)		-	-
XI	**Total comprehensive income for the period (IX + X)**		**(22,407,713)**	**(53,691,033)**
XII	**Earnings per equity share of face share of Rs 10/- each**			
	Basic & Diluted Earning Per Share (Rs)	31	**(5.94)**	**(19.62)**

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

See accompanying notes 1 to 44 forming part of the financial statements.

As per our report of even date
FOR MITTAL GUPTA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO: 01874C

Dinesh Kumar Nigam

(Dinesh Kumar Nigam)
Partner
M.No.414272
Place New Delhi
Date : 17.05.2019

MITTAL GUPTA & CO. 14, Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

For and on behalf of the Board of Directors

(Rahul Lalbhai Mehta)	(Vineet Gupta)
Director	Director
DIN-00047747	DIN-07780622

EHAAT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Amount in INR)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flow from operating activities**		
	Net Profit / (loss) before exceptional items and tax	**(126,466,877)**	**(72,814,033)**
	Adjustments to reconcile profit before exceptional items and extra ordinary items and tax to net cash flow provided by operating activities :		
	Depreciation and impairment of property, plant and equipment	3,328,062	4,245,326.00
	Balance written off (Net)	314,572	999,838.00
	Interest costs	11,862,003	2,508,287
	Loss on sale of property, plant and equipment	233,191	-
	Operating profit before working capital adjustments	**(110,729,049)**	**(65,060,582)**
	Working capital adjustments		
	(Increase) /Decrease in trade receivables	(36,847,730)	(2,278,226)
	(Increase) /Decrease in inventories	(179,507,046)	5,275,600.00
	(Increase)/decrease in non current and other current financial Assets	112,450	(4,262,504.00)
	(Increase)/decrease in non current and other current assets	(18,975,243)	-
	Increase / (Decrease) in trade and other payables	201,287,849	9,488,963
	Increase/(decrease) in other financial current liabilities	3,947,132	5,802,469.00
	Increase/(decrease) in other current liabilities	8,174,670	-
	Cash generated from operations	**(132,536,967)**	**(51,034,280)**
	Tax expenses	(183,410)	-
	Net cash generated from operating activities	**(132,720,377)**	**(51,034,280)**
B	**Investing activities**		
	Purchase of property, plant and equipment	(5,758,942)	(3,152,954)
	Sale of property, plant and equipment	262,000	-
	Net cash flow from / (used in) investing activities	**(5,496,942)**	**(3,152,954)**
C	**Financing activities**		
	Proceed from issuance of equity share including securities premium	-	20,000,000
	Repayments of long term borrowings	(5,000,000)	-
	Receipt of long term borrowings	88,800,000	35,100,000
	Proceeds from short term borrowings (net)	56,144,167	-
	Interest paid	(1,719,157)	(267,205)
	Net cash flow from / (used in) financing activities	**138,225,010**	**54,832,795**
	Net increase in cash and cash equivalents (A+B+C)	**7,691**	**645,561**
	Opening cash & cash equivalents	**1,235,719**	**590,158.00**
	Closing cash and cash equivalents for the purpose of Cash Flow Statement (refer	**1,243,410**	**1,235,719**
	Components of cash and cash equivalents		
	Current Account	1,243,410	1,235,719
	Cash and cash equivalents	**1,243,410**	**1,235,719**

Notes:

1 The above cash flow statement has been prepared under the indirect method setout in Indian Accounting Standard (Ind AS) 7

2 Figures in brackets indicate cash outflow from respective activities.

3 Cash and cash equivalents as at the Balance Sheet date consists of :

Particulars	As at March 31, 2019	As at March 31, 2018
-On current account	1,243,410	1,235,719
Cash on hand	-	-
Total	**1,243,410**	**1,235,719**

4 Disclosure requirement as per Ind AS 7 (Amended) Statement Of Cash Flow related to chnages in Liabilities arising from Financing Activities is not applicable to the Company

The accompanying notes form an integral part of the financial statements
This is the Cash Flow Statement referred to in our report of even date
FOR MITTAL GUPTA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO: 01874C

MITTAL GUPTA & CO. 14, Ratna Mahal Civil Lines, Kanpur Chartered Accountants

Dinesh Kumar Nigam
(Dinesh Kumar Nigam)
Partner
M.No.414272
Place : New Delhi
Date : 17.05.2019

For and on behalf of the Board of Directors

(Rahul Lalbhai Mehta)
Director
DIN-00047747

(Vineet Gupta)
Director
DIN-07780622

Statement of Change in Equity

Equity share capital (Amount in INR)

Particulars	**Amount**
Equity share capital as at April 1, 2017	1,000,000
Change during the year	36,700,000
Equity share capital as at March 31, 2018	**37,700,000**
Particulars	**Amount**
Equity share capital as at April 1, 2018	37,700,000
Change during the year	-
Equity share capital as at March 31, 2019	**37,700,000**

OTHER EQUITY -

(Amount in INR)

Particulars	**Reserves and surplus**	**Item of other comprehensive income**	**Total**
	Retained earnings		
As at April 01, 2017	(2,469,628)	-	(2,469,628)
Profit/(Loss) for the period	(53,691,033)	-	(53,691,033)
Other comprehensive income for the year	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	-	-
As at March 31, 2018	**(56,160,661)**	-	**(56,160,661)**
Profit/(Loss) for the period	(22,407,713)	-	(22,407,713)
Other comprehensive income for the year	-	-	-
Equity Component of loan	-	-	-
Transfer from/to other comprehensive income/retained earnings	-	-	-
As at March 31, 2019	**(78,568,374)**	-	**(78,568,374)**

A. Rights, preference and restriction attached to shares:

a. In respect of equity shares, voting right shall be in same proportion as the capital paid upon such equity share.

b. The dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.

c. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to capital paid upon such equity share.

As per our report of even date
FOR MITTAL GUPTA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO: 01874C

MITTAL GUPTA & CO. 14, Ratna Mahal Civil Lines, Kanpur Chartered Accountants

Dinesh Kumar Nigam

(Dinesh Kumar Nigam)
Partner
M.No.414272
Place : New Delhi
Date : 17.05.2019

For and on behalf of the Board of Directors

(Rahul Lalbhai Mehta)
Director
DIN-00047747

(Vineet Gupta)
Director
DIN-07780622

EHAAT LIMITED
Notes forming part of the Standalone Financial Statements

"4" - Property, Plant & Equipment

(Amount in INR)

Particulars	Computer	Buildings	Furniture	Plant & Machinery	Office Equipment	Electric Installation	Vehicles	Total
Gross Carrying Cost								
As on 01-04-2018	**3,878,554**	**2,726,446**	**1,328,696**	**274,728**	**757,706**	**500,769**	**4,153,582**	**13,620,481**
Additions	4,979,552	-	182,850	-	592,897	3,643	-	**5,758,942**
Disposals	-	-	4,234	-	-	-	612,281	**616,515**
As at 31-03-2019	**8,858,106**	**2,726,446**	**1,507,312**	**274,728**	**1,350,603**	**504,412**	**3,541,301**	**18,762,908**
Depreciation								
Accumulated Depreciation as at April 1,2018	**1,320,166**	**1,997,376**	**100,874**	**17,400**	**114,902**	**55,404**	**618,504**	**4,224,626**
Depreciation for the year	2,008,907	336,696	134,431	17,400	218,446	55,687	535,795	**3,307,362**
Disposals	-	-	441		-	-	120,883	**121,324**
Accumulated Depreciation as at March 31,2019	**3,329,073**	**2,334,072**	**234,864**	**34,800**	**333,348**	**111,091**	**1,033,416**	**7,410,664**
Net Carrying Cost								
As at 31-03-2019	**5,529,033**	**392,374**	**1,272,448**	**239,928**	**1,017,255**	**393,321**	**2,507,885**	**11,352,244**
Gross Carrying Cost								
As on 01-04-2017	-	-	-	-	-	-	-	-
Assets Take Over Under Slump Sale	2,600,325	2,726,446	609,112	274,728	211,676	500,769	4,153,582	**11,076,638**
Additions	1,278,229	-	719,584	-	546,030	-	-	**2,543,843**
Disposals	-	-	-	-	-	-	-	-
As at 31-03-2018	**3,878,554**	**2,726,446**	**1,328,696**	**274,728**	**757,706**	**500,769**	**4,153,582**	**13,620,481**
Depreciation								
Accumulated Depreciation as at April 1,2017	-	-	-	-	-	-	-	-
Depreciation for the year	1,320,166	1,997,376	100,874	17,400	114,902	55,404	618,504	**4,224,626**
Disposals	-	-	-		-	-	-	-
Accumulated Depreciation as at March 31,2018	**1,320,166**	**1,997,376**	**100,874**	**17,400**	**114,902**	**55,404**	**618,504**	**4,224,626**
Net Carrying Cost As at 31-03-2018	**2,558,388**	**729,070**	**1,227,822**	**257,328**	**642,804**	**445,365**	**3,535,078**	**9,395,855**

MITTAL GUPTA & CO. ★ Chartered Accountants ★ 14 Ratna Mahal 15/197 Civil Lines, Kanpur

"4A" **Intangible Assets** (Amount in INR)

Particulars	Software
Gross carrying amount as at April 1, 2018	**103,500**
Additions during the year	-
Disposals/ Deductions during the year	-
Gross carrying amount as at March 31, 2019	**103,500**
Amortization	
Accumulated amortisation as at April 1, 2018	20,700
Amortisation during the year	20,700
Disposals/ Deductions during the year	-
Accumulated amortisation as at March 31, 2019	**41,400**
Net carrying amount as at March 31, 2019	**62,100**
Gross carrying amount as at April 1, 2017	-
Additions during the year	103,500
Disposals/ Deductions during the year	-
Gross carrying amount as at March 31, 2018	**103,500**
Amortization	
Accumulated amortisation as at April 1, 2017	-
Amortisation during the year	20,700
Disposals/ Deductions during the year	-
Accumulated amortisation as at March 31, 2018	**20,700**
Net carrying amount as at March 31, 2018	**82,800**

MITTAL GUPTA & CO. 14, Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

EHAAT LIMITED
Notes forming part of the Standalone Financial Statements

"5" - Loans - Non-current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Receivables Secured, considered good		-		-
Receivables Unsecured, considered good		1,073,870		220,000
Receivables Significant Increase in Credit Risk		-		-
Receivables -Credit Impaired		-		-
Sub Total		1,073,870		220,000
less: Allowance for doubtful trade receivables		-		-
Total		**1,073,870**		**220,000**

"6" Other Assets-Non Current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
(Unsecured considered good unless otherwise stated)				
Prepaid Exps		84,662		-
Total		**84,662**		-

"8" - Income Tax Assets

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Advance tax		183,410		-
Total		**183,410**		-

"9" - Inventories

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
(Valued at lower of cost or net realisable value)				
Traded Goods:				
Stock-in-Trade*		182,268,242		2,761,196
Total		**182,268,242**		**2,761,196**

*Includes Stock-in-Transit of C.Y. Rs 32759462/- (P.Y. Rs. Nil)

"10" - Trade receivables-Current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Trade receivables Secured, considered good		-		-
Trade receivables Unsecured, considered good		37,811,546		1,278,388
Trade receivables Significant Increase in Credit Risk		-		-
Trade receivables -Credit Impaired		-		-
Sub Total		37,811,546		1,278,388
less: Allowance for doubtful trade receivables		-		-
Total		**37,811,546**		**1,278,388**
Current portion		37,811,546		1,278,388
Non-current portion		-		-

"11" - Cash and cash equivalents

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Balances with banks :				
-In Current Account		1,243,410		1,235,719
Total		**1,243,410**		**1,235,719**

MITTAL GUPTA & CO. Chartered Accountants 14, Ratna Mahal 14/197 Civil Lines, Kanpur

"12" - Loans -Current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Receivables Secured, considered good		-		-
Receivables Unsecured, considered good		1,546,680		2,513,000
Receivables Significant Increase in Credit Risk		-		-
Receivables -Credit Impaired		-		-
Sub Total		1,546,680		2,513,000
less: Allowance for doubtful trade receivables		-		-
Total		**1,546,680**		**2,513,000**

"13" - Other Assets-Current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
(Unsecured considered good unless otherwise stated)				
Balance with revenue authorities		20,067,935		1,904,688
Considered Good				
Employee Advances		1,265,873		50,072
Advances to Supplier		1,201,883		950,319
Prepaid Expenses		172,257		385,782
Advances recoverable in cash or in kind		784,640		1,311,146
Total		**23,492,588**		**4,602,007**

MITTAL GUPTA & CO. ★ Chartered Accountants ★ 14, Ratan Mahal 15/197 Civil Lines, Kanpur

EHAAT LIMITED
Notes forming part of the Standalone Financial Statements

"14" - Share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(Amount in INR)	No. of Shares	(Amount in INR)
Equity shares				
Authorised Share Capital				
Equity shares of ₹ 10/- each fully paid-up	5,000,000	50,000,000	5,000,000	50,000,000
Issued , subscribed and paid-up				
Equity shares of ₹ 10/- each fully paid-up	3,770,000	37,700,000	3,770,000	37,700,000
TOTAL		**37,700,000**		**37,700,000**

14.1.The reconciliation of the number of shares outstanding as at March 31, 2019 and March 31, 2018 is set out below.

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(Amount in INR)	No. of Shares	(Amount in INR)
Authorised Equity shares				
Shares outstanding at the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Add : Addition during the year	-	-	-	-
Shares outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	(Amount in INR)	No. of Shares	(Amount in INR)
Issued , subscribed and paid-up shares equity shares				
At the beginning of the period	3,770,000	37,700,000	100,000	1,000,000
Add : Addition during the year	-	-	3,670,000	36,700,000
Outstanding at the end of the period	3,770,000	37,700,000	3,770,000	37,700,000

14.2. The details of shareholders holding more than 5% shares as at March 31, 2019 and March 31, 2018 is set out below:

Name of shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Dhampur Sugar Mills Limited (Holding Company)	3,770,000	100.00%	3,770,000	100.00%

14.3. - Terms/right attached to equity shares

(i) The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(iii)The Company has allotted 16,70,000 Fully Paid up Equity Shares of Rs. 10/- each at par value on 03/07/2017 in pursuant to a contracts for purchase of business under Slump Sale Agreements without payment received in cash.

"15" - Other Equity

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Retained Earnings				
Opening Balance		(56,160,661)		(2,469,628)
Add: Profit /(Loss) for the year		(22,407,713)		(53,691,033)
		(78,568,374)		**(56,160,661)**
Other Comprehensive Income				
Opening balance		-		-
Add: Other Comprehensive Income /(loss) for the Year		-		-
Closing balance		-		-
TOTAL		**(78,568,374)**		**(56,160,661)**

i) Retained earnings represents the undistributed loss/ amount of accumulated loss of the Company.

MITTAL GUPTA & CO.
Ratan Mahal
Civil Lines, Kanpur
Chartered Accountants

EHAAT LIMITED
Notes forming part of the Standalone Financial Statements

NOTE 16 : Borrowings-Non Current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non -current Portion	Current maturities	Non -current Portion	Current maturities
Secured	-	-	-	-
Unsecured				
Borrowings from Related Parties	-	-	35,100,000	-
Borrowings from Others	7,000,000	-	-	-
	7,000,000	-	**35,100,000**	-
Amount disclosed under the head other current Financial liabilities	-	-	-	-
TOTAL	**7,000,000**	-	**35,100,000**	-

Note: 16(i). Unsecured Loan from other carry interest rate 12% p.a. and repayable in F.Y. 2021-22.

NOTE 16A : Borrowings-Current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Secured Borrowings from NBFC		31,144,167		-
Unsecured Borrowings from related party		25,000,000		-
TOTAL		**56,144,167**		-

Note :(i) Working capital demand loan from CENTRUM FINANCIAL SERVICES LTD. is secured by hypothecation of stock, book debts, fixed assets & other current assets of the company and are further secured by equitable mortgage on land & building owned by other company. The loan is also guaranteed by the one director of the company & his relative and by other company.

NOTE 17 : Other Liabilities-Non Current

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Unsecured Lease Equilisation Payable A/c		155,568		-
TOTAL		**155,568**		-

"18" - Trade Payables

(Amount in INR)

Particulars	As at March 31, 2019		As at March 31, 2018	
Total outstanding dues of micro enterprises and small enterprises		1,928,485		-
Total outstanding dues of Creditors other than MSME		216,438,724		17,079,360
Total		**218,367,209**		**17,079,360**

Following are the relevant disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	As at March 31, 2019		As at March 31, 2018	
a) The principal amount remaining unpaid to suppliers as at the end of accounting year		1,928,485		Nil
b) The interest due thereon remaining unpaid to suppliers as at the end of accounting year		27,007		Nil
c) The amount of interest paid by the Company in terms of Section 16, along with the amount of payments made to the micro and small enterprise beyond the appointed date during the period		Nil		Nil
d) The amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the period but without adding the interest specified under this Act.		Nil		Nil
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year		Nil		Nil
f) The amount of further interest remaining due and payable even in succeeding years		27,007		Nil

The above mentioned outstanding's are in normal course of business and the information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

MITTAL GUPTA & CO. 14 Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

"19" - **Other Financial Liabilities-Current**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
Carried at amortised cost		
Interest Accrued and due on borrowings	1,101,764	2,241,082
Payable to Employees	6,317,842	2,370,710
Total	**7,419,606**	**4,611,792**

"20" **Other Liabilities- Current**

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from Customers	8,217,011	1,871,854.00
Statutory Dues	2,550,233	1,009,620.00
Lease Equilisation Payable A/c	133,332	-
Total	**10,900,576**	**2,881,474.00**

MITTAL GUPTA & CO. 14/ Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

"7" - Deferred Tax Asset/ (Liability)

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset :		
(i) On account of carried forward losses and unabsorbed depreciation	-	19,225,772
(ii) On account of timing difference of expenses which are allowable under Income Tax Laws in subsequent years		84,065
Total Deferred Tax Assets	-	**19,309,837**
Deferred Tax Liability:		
(i) On account of Property,Plant and Equipment	-	186,837
Total Deferred Tax Liabilities	-	**186,837**
Net Deferred Tax Liabilities	-	**19,123,000**
Mat Credit Entitlement	-	-
Net Deferred Tax Asset	-	**19,123,000**

Movement in deferred tax Liabilities/ deferred tax Assets

(Amount in INR)

Particulars	Carried forward losses & Unabsorbed Depreciation	Property, Plant and Equipment	Other Items	Total
At 31st March 2017	-	-	-	-
(Charged)/credited:-				
-to profit & loss	19,225,772	(186,837)	84,065	**19,123,000**
-to other Comprehensive Income	-	-	-	-
At 31st March 2018	**19,225,772**	**(186,837)**	**84,065**	**19,123,000**
(Charged)/credited:-				
-to profit & loss	(19,225,772)	186,837	(84,065)	**(19,123,000)**
-to other Comprehensive Income	-	-	-	-
At 31st March 2019	-	-	-	-

Note 7.(ii) :Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

(Amount in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset :		
Tax Effect on Tax Losses and unabsorbed depreciation	195.42	-
Tax Effect on difference in WDV and carrying amount of PPE	3.73	-
Tax effect on timing difference of expenses which are allowable under Income Tax Laws in subsequent years	0.57	
	199.72	-
Expiry profile of unrecognised unused tax losses		
Unused tax losses (business loss) shall expire on-		
March, 31, 2027	4.47	-
March, 31, 2026	185.67	-
March, 31, 2025	5.29	-
	195.42	-

14, Ratna Mahal 15/197 Civil Lines, Kanpur
MITTAL GUPTA & CO. Chartered Accountants

EHAAT LIMITED
Notes forming part of the Standalone Financial Statements

"21" - Revenue from operations

(Amount in INR)

Particulars	Year ended March 31 2019		Year ended March 31 2018	
Revenue from Operations:				
Traded Goods		609,602,187		53,602,901
Other Operating Revenue				
Delivery Charges	7,275,122		32,410	
Othes	855,975	8,131,097	-	32,410
TOTAL		**617,733,284**		**53,635,311**

"22" - Other income:

(Amount in INR)

Particulars	Year ended March 31 2019		Year ended March 31 2018	
Interest income on financial assets carried at amortized cost:				
Interest Received		10,792		-
Other non-operating income				
Profit on Sale of Products (before 25.05.17)		-		641,763
TOTAL		**10,792**		**641,763**

"23" - Purchase of Stock-in-trade

(Amount in INR)

Particulars	Year ended March 31 2019		Year ended March 31 2018	
Traded Goods		738,273,314		55,646,470
Total		**738,273,314**		**55,646,470**

"24" - (Increase)/Decrease in inventories

(Amount in INR)

Particulars	Year ended March 31 2019		Year ended March 31 2018	
At the end of the year				
Traded Goods		182,268,242		2,761,196
At the beginning of the year				
Traded Goods		2,761,196		-
(Increase)/Decrease in inventories		**(179,507,046)**		**(2,761,196)**

"25" - Employees benefits expense

(Amount in INR)

Particulars	Year ended March 31 2019		Year ended March 31 2018	
Salaries, wages, bonus, commission, etc.		48,737,455		30,864,647
Contribution to provident and other funds		2,095,404		902,123
Staff welfare expenses		763,648		1,311,328
Total		**51,596,507**		**33,078,098**

"26" - Finance costs

(Amount in INR)

Particulars	Year ended March 31 2019		Year ended March 31 2018	
Interest expense on :				
Borrowings		11,862,003		2,501,815
Others		500,000		6,472
Bank Charges		273,201		126,522

MITTAL GUPTA & CO. 14, Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

Expenses not allowed for tax purpose		0.05		-
Unrecognised Deferred tax during the year		8.49		-
Previously unrecognised tax losses now recognised		-		(3.73)
Reversal of deferred tax recognised in previous year		191.23		-
Tax Expenses		**191.23**		(191.23)

Total	**12,635,204**	**2,634,809**

"27" - Depreciation and amortisation expense

(Amount in INR)

Particulars	Year ended March 31 2019	Year ended March 31 2018
Depreciation of Property, Plant & Equipment (Refer note no. 4)	3,307,362	4,224,626
Amortisation of Intangible assets (Refer note no. 4A)	20,700	20,700
TOTAL	**3,328,062**	**4,245,326**

"28" - Other expense

(Amount in INR)

Particulars	Year ended March 31 2019	Year ended March 31 2018
Advertisement/ Business Promotion	457,367	978,303
Audit Fees	395,500	350,000
Balance W/off	314,572	999,838
Brokerage & Commission	279,565	61,455
Communication Exp.	1,315,646	2,145,901
Freight Outward	71,355,295	2,665,811
Information Technology Expenses	6,650,513	1,905,527
Insurance Expenses	162,851	257,173
Legal & Professional Charges	8,298,320	9,942,812
Miscellaneous Exp.	2,409,503	2,696,395
Loss on sale of assets	233,191	-
Power & Fuel	822,897	682,879
Rebate & Discount	1,293	296,774
Rent Exp.	12,886,684	4,065,904
Repair Expenses	1,057,886	1,216,981
Travelling Expenses	8,796,539	2,971,272
Vehicle Running Expenses	370,115	1,597,189
Website Development Charges	2,077,175	1,413,387
Total	**117,884,912**	**34,247,600**

"29" - Exceptional Items

(Amount in INR)

Particulars	Year ended March 31 2019	Year ended March 31 2018
Waiver of Loan and Interest Accrued and due to holding Company	123,182,164	-
Total	**123,182,164**	-

"30" - Tax Expense

(Amount in Lakhs)

Particulars	Year ended March 31 2019	Year ended March 31 2018
- Current Tax	-	-
- Deferred Tax	191.23	(191.23)
Total	**191.23**	(191.23)

Reconciliation of Tax Expense and Accounting Profit Multiplied by India's Tax Rate

(Amount in Lakhs)

Particulars	Year ended March 31 2019	Year ended March 31 2018
Profit/(Loss) Before Tax	(32.85)	(728.14)
Applicable Tax Rate	26.00%	25.75%
Computed Tax Expense	(8.54)	(187.50)
Adjustments for:		

EHAAT LIMITED

Notes forming part of the Standalone Financial Statements

"31" Earnings per Share (EPS) :

(Amount in INR)

Particulars		Year ended March 31 2019		Year ended March 31 2018	
i) Net Profit/ Loss(-) available to Equity Shareholders (Used as numerator for calculating EPS)	₹		(22,407,713)		(53,691,033)
ii) Weighted average No.of Equity Shares outstanding during the period: (Used as denominator for calculating EPS) - for Basic & Diluted EPS	No.		3,770,000		2,736,274
iii) Earning per Share - Basic & Diluted	₹		(5.94)		(19.62)
(Equity Share of Face value of ₹ 10 each)					

"32" : Related Party Disclosures as required under Ind AS 24:-

A. Related Parties	**Name of Party**
i. Holding Company	a) Dhampur Sugar Mills Limited
ii. Subsidiary Company	NIL
iii. Associate Company	NIL
iv. Key Management Personnel (KMP)	a) Mr. Rahul Lalbhai Mehta (Director) b) Mr. Vineet Gupta (Director) c) Mr. Sanjiv Kumar Bhatnagar (Director) d) Mr. Kishore Shah (Director) e) Mr. Gautam Goel (Director)
v. Companies in which KMP have significant influence:	a) Aamara Capital Private Limited

B. Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2019 .

(₹ in lakhs)

S.No.	Particulars	F.Y. 2018-2019	F.Y. 2017-2018
1	**Loans taken**		
	Dhampur Sugar Mills Ltd	768.00	351.00
	Aamara Capital Private Limited	300.00	-
2	**Loans Repaid**		
	Aamara Capital Private Limited	50.00	-
3	**Share Capital Issued**		
	Dhampur Sugar Mills Ltd	-	367.00
4	**Sale of Goods**		
	Dhampur Sugar Mills Ltd	0.48	29.38
5	**Purchase of Goods**		
	Dhampur Sugar Mills Ltd	-	8.38
6	**Purchase of Div under Slump Sale**		
	Dhampur Sugar Mills Ltd	-	167.00
7	**Interest Expenses**		
	Dhampur Sugar Mills Ltd	112.82	22.41
	Aamara Capital Private Limited	8.86	-
8	**Rental paid**		
	Dhampur Sugar Mills Ltd	6.58	27.34
9	**Expense Payment**		
	Dhampur Sugar Mills Ltd	1.83	51.75
10	**Compensation/ Remuneration of KMP**		
	Rahul Lal Bhai Mehta	92.00	69.00
11	**Security Deposits Returned Back**		
	Dhampur Sugar Mills Ltd	19.00	-
12	**Waiver of Interest**		
	Dhampur Sugar Mills Ltd	112.82	
13	**Waiver of Loan**		
	Dhampur Sugar Mills Ltd	1,119.00	-

MITTAL GUPTA & CO. Chartered Accountants 14, Ratna Mahal 15/197 Civil Lines, Kanpur

	Amount due to/ from Related Parties:	F.Y. 2018-2019	F.Y. 2017-2018
1	**Unsecured Loans from related parties**		
	Dhampur Sugar Mills Ltd	-	351.00
	Aamara Capital Private Limited	250.00	-
2	**Payables**		
	Dhampur Sugar Mills Ltd	125.27	119.31
	Rahul Lalbhai Mehta	14.34	4.11
3	**Other Financial Liabilities**		
	Dhampur Sugar Mills Ltd	-	22.41

Details of Remuneration paid/payable	₹ Lakh
Particulars	**Mr. Rahul Lalbhai Mehta**
Year ended March 31, 2019	
Short-term employee benefits	
Salary	88.69
Perquisites	-
Post-employment benefits	
Contribution to Provident Fund, Gratuity an	3.31
	92.00
Year ended March 31, 2018	
Short-term employee benefits	
Salary	66.79
Perquisites	-
Post-employment benefits	
Contribution to Provident Fund, Gratuity an	2.21
	69.00

MITTAL GUPTA & CO. Chartered Accountants 14, Ratna Mahal 14/197 Civil Lines, Kanpur

EHAAT LIMITED
Notes to Financial Statements as at March 31, 2019

33 Financial Instruments - Accounting, classification and Fair Value Measurements

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(l) to the financial statements.

A. Financial instruments by category- Assets and Liabilities

The criteria for recognition of financial instruments is explained in accounting policies fo the Company.

As at March 31, 2019 (Amount in Rs)

Particulars	Refer Note	Carrying Value			Total
		Amortised Cost	FVTPL	FVTOCI	
Financial Asset					
Trade receivables	10	37,811,546	-	-	37,811,546
Loans	12	2,620,550	-	-	2,620,550
Cash and cash equivalent	11	1,243,410	-	-	1,243,410
Total Financial Assets		**41,675,506**	-	-	**41,675,506**
Financial Liabilities					
Borrowings	**16 & 16A**	63,144,167			63,144,167
Trade payables	17	218,367,209	-	-	218,367,209
Other Financial Liabilities	18	7,419,606	-	-	7,419,606
Total Financial Liabilities		**288,930,982**	-	-	**288,930,982**

As at March 31, 2018 (Amount in Rs)

Particulars	Refer Note No.	Carrying Value			Total
		Amortised Cost	FVTPL	FVTOCI	
Financial Asset					
Trade receivables	10	1,278,388	-	-	1,278,388
Loans	12	2,733,000	-	-	2,733,000
Cash and cash equivalent	11	1,235,719	-	-	1,235,719
Total Financial Assets		**5,247,107**	-	-	**5,247,107**
Financial Liabilities					
Borrowings	**16 & 16A**	35,100,000	-	-	35,100,000
Trade payables	17	17,079,360	-	-	17,079,360
Other Financial Liabilities	18	4,611,792	-	-	4,611,792
Total Financial Liabilities		**56,791,152**	-	-	**56,791,152**

Note : The fair value of non-current financial assets and financial liabilities carried at amortized cost is substantially same as their carrying amount.

B. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Method and assumptions used to estimate fair values:

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables, loans and other current financial assets, trade and other payables and other current financial liabilities carried at amortized cost is not materially different from its carrying cost, largely due to the short-term maturities of these instruments.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

EHAAT LIMITED

Notes forming part of the Standalone Financial Statements

Note 34 : FINANCIAL RISK MANAGEMENT

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is governed by Financial Guidelines which are approved by the Board of Directors.The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the company.

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial asset includes trade and other receivables, and cash and others financial assets that arise directly from its operations.

The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has no foreign transactions and hence no foreign currency risk is involve in it.

(c) Regulatory risk

The Company is a trading company and do not involve any specific regulatory risk.

(d) Commodity price risk

Commodity price risk is the price uncertainty that adversely impacts the financial results of those who both use and produce commodities.The Company is a trading company and do not involve any specific Commodity price risk.

II. Credit risk

Credit risk arises from the loss that counter party fails to repay debt according to the contractual terms or obligations. Company is exposed to credit risk from trade receivables and deposits with banks. To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer. Outstanding customer receivables are regularly monitored. Concentrations of credit risk are limited as a result of the Company's large and diverse customer base. Company has also taken advances and security deposits from its customer / agents, which mitigate the credit risk to an extent. The ageing of the trade receivables is given below:

The Company major exposure of credit risk is from trade receivables, which are unsecured and derived from external customers.

Expected credit loss for trade receivable on simplified approach :

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

(Amount in Rs)

Particulars		As at March 31, 2019		As at March 31, 2018
Upto 6 months		37,811,546		837,830
More than 6 months		-		440,558
TOTAL		37,811,546		1,278,388

MITTAL GUPTA & CO. Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

III. Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans taken from Related Parties and other financial institutions.

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Since, theCompany is making continuous losses, presently it monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

As at March 31, 2019	Carrying Amount	Less than 1 Year	1 to 5 Years	More 5 Years	Total
Borrowings (excluding current maturities of long term debts)	63,144,167	56,144,167	7,000,000	-	63,144,167
Trade and other payables	218,367,209	218,367,209	-	-	218,367,209
Other Financial Liabilities	7,419,606	7,419,606	-	-	7,419,606
Total	**225,786,815**	**225,786,815**	-	-	**225,786,815**
As at March 31, 2018	**Carrying Amount**	**Less than 1 Year**	**1 to 5 Years**	**More 5 Years**	**Total**
Borrowings (excluding current maturities of long term debts)	35,100,000	-	35,100,000	-	35,100,000
Trade and other payables	17,079,360	17,079,360	-	-	17,079,360
Other Financial Liabilities	4,611,792	4,611,792	-	-	4,611,792
Total	**21,691,152**	**21,691,152**	-	-	**56,791,152**

MITTAL GUPTA & CO. 14 Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

EHAAT LIMITED
Notes forming part of the Standalone Financial Statements

Note 35 : Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

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14, Ratna Mahal
14/117
Civil Lines,
Kanpur
Chartered Accountants

Note No. 36- Exceptional Items of Rs 1,231.82 Lakhs in 2018-19 represent write-back of the loan liabilty and interest thereon as on 31.03.2019 due to its holding company..

Note No. 37- In the opinion of the Board, current assets and loans and advances have realisable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet.

Note No. 38-The Employee Stock Option Plan 2017 A and Employee Stock Option Scheme 2017 B of the company was formulated by the committee of the Board of Directors of the company and approved by the board at its meeting held on 03rd Aug 2017 and by the shareholders at the General Meeting held on 28th August 2017 and in accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines,1999 prescribed by the securities and exchange board of India.

Employees covered under the Employee Stock option scheme are granted an option to purchase equity shares of the Company at exercise price determined by the Board of Directors on the date when option is granted.It is based on the fair value of the equity shares of the company prior to the date of grant.

Details of options granted, lapsed and exercised are as under:

Year of Issue	2018-19		2017-18	
Series	Plan A	Plan B	Plan A	Plan B
Date of grant of option	26.12.2017	26.12.2017	26.12.2017	26.12.2017
Initial Exercise Price (Rs)	10.00	10.00	10.00	10.00
Market price on the date of grant (Rs)	10.00	10.00	10.00	10.00
Outstanding at the beginning of the year(Nos)	425,510	59,570	-	-
Granted (Nos)	-	-	425,510	59,570
Exercise(Nos)	-	-	-	-
Forfieted/Lapsed/Cancelled and expired during the year (Nos)	-	46,805	-	-
Outstanding at the end of the year(Nos)	425,510	12,765	425,510	59,570
Exercisable at the end of the year(Nos)	425,510	12,765	425,510	59,570

Note No.39-During the F.Y.2017-18, the company has taken over business of Ehaat Division of Dhampur Sugar Mills Limited under slump sale agreements. The company has allotted 16,70,000 fully paid up Equity Shares of Rs. 10/- per equity shares against purchase consideration under slump sale Agreements. The summary of assets and liabilities taken are as under

Particulars	Amt (In Lakhs)
a) Value of Assets Taken over	215.33325
b) Value of Liabilities Taken over	48.4237
c) Net value of Assets taken over	166.90955
d) Purchase Consideration	167
e) Goodwill Recognised	0

Note No. 40-Details of loan and advances given and investment made as required to be disclosed as per provisions of Section 186 (4) of the Companies Act, 2013 have been disclosed under the respective head. The company has not given any guarantee in respect of loan taken by others.

Note No. 41-The company is mainly engaged in trading activity which has been considered as the only reportable business segment as per Indian Accounting Standard – IndAS 108 " Segment Reporting".

Note No. 42-As per Indian Accounting Standard (IndAS 19) "Employee Benefit", the disclosures of Employee Benefits are as follows:
Defined Contribution Plan :
Employee benefits in the form of Proviednt Fund, Employee State Insurance Corporation (ESIC) and Labour welfare are considered as defined contribution plan.

The contributions to the respective funds are made in accordance with the relevant statute and are recognized as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognized as expense in the Statement of Profit and Loss are as under:

Amt. (In Lakhs)

Defined Contribution Plan	F.Y. 2018-19	F.Y. 2017-18
Employer's Contribution to Provident Fund :	13.32	9.02

Note No. 43- : Recent Accounting Pronouncements
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 -Leases
Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.
The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for the right- to use asset , and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control /joint control of a business that is a joint operation.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Noto No. 44-'Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications.

FOR MITTAL GUPTA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO: 01874C

Dinesh Kumar Nigam

(Dinesh Kumar Nigam)
Partner
M.No.414272
Place : New Delhi
Date! 17.05.2019

MITTAL GUPTA & CO. 14 Ratna Mahal 15/197 Civil Lines, Kanpur Accountants

For and on behalf of the Board of Directors

(Rahul Lalbhai Mehta)
Director
DIN-00047747

(Vineet Gupta)
Director
DIN-07780622

Notes to the Financial Statements for the year ended 31st March' 2019

1) Corporate Information:

EHAAT Limited ("the Company") is a Public company domiciled in India and Incorporated under the provisions of the Companies Act, 2013. Its shares are unlisted. The CIN No. of the company is U74999UP2016PLC087282. The company is engaged in the business of E-commerce. The financial statements for the year ended 31st March, 2019 was approved for issue by the Board of Directors of the Company on 17th May, 2019 and is subject to adoption by the shareholders in the ensuing Annual General Meeting.

2) Significant Accounting Policies:

i. Basis of preparation and presentation

a) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

b) Recent Accounting Pronouncements

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.
The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.
The effect of this amendment on the financial statements of the Company is being evaluated.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The effect of this amendment on the financial statements of the Company is being evaluated.

MITTAL GUPTA & CO. Chartered Accountants 14, Ratna Mahal 15/197 Civil Lines, Kanpur

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify. that if any specific borrowing remains outstanding after the related asset are ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

c) Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments, refer accounting policy regarding financial instruments), assets for defined benefit plans and Biological assets that are measured in terms of the relevant Ind AS at Fair value or Cost at the end of each reporting date. The methods used to measure fair values are discussed further in notes to financial statements.

d) Functional and presentation

These financial statements are presented in Indian rupees (INR), which is company functional currency. All amounts have been rounded off to nearest in lacs unless otherwise indicated.

ii. Current and non-current classification

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

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An asset is treated as current when it satisfies any of the following criteria:-

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is treated as current when it satisfies any of the following criteria:—

- Expected to be settled in the company's normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
  Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

iii. Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period.

All property and equipment are measured at cost, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment shall be recognized as an asset if and only if 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.

The cost of an asset includes the purchase cost of material, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

MITTAL GUPTA & CO. 14, Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision are met.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of its carrying amount and fair value less cost to sell.

iv. Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure

v. Intangible Assets

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

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss when the asset is derecognized.

vi. Depreciation and Amortization

Depreciation on fixed assets is provided for over the useful life of the Assets specified in Schedule II of the Companies Act, 2013. Depreciation on fixed assets is provided on Straight Line Method.

The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II along with residual values of 5%.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life of the assets. The Company uses a rebuttable presumption that the useful life of intangible assets is five years from the date when the assets is available for use.

vii. Share-Based Payment (Employee Stock Option)

The eligible employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to equity share capital (par value of the equity share) and securities premium reserve. The company determines the compensation cost based on the intrinsic value method. The compensation cost is amortized on a straight-line basis over the vesting period.

viii. Foreign currency translations

Functional and presentation currency

Financial statements have been presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

MITTAL GUPTA & CO. 14, Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

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

Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

ix. Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. The bases of determining cost for different categories of inventory are as follows:

Stock in trade	-	First in first out (FIFO)
Scraps	-	At Net realizable value

x. Revenue Recognition

(i) Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 36– Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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

MITTAL GUPTA & CO. Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also includes excise duty but excludes taxes collected from customers.

ii) Income from bank deposits is recognized on a time proportion basis.

xi. Expenses and other income

All expenses and other income are accounted for on accrual basis.

xii. Long Term Borrowings

Long term borrowings are initially recognised at net of material transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

xiii. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred. Transaction costs incurred for long term borrowing until are not material are expensed in the period in which they are incurred.

xiv. Provision for Current and Deferred Tax

(i) Current income tax :

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.
The Company Offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

(ii) Deferred tax :

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted

MITTAL GUPTA & CO. Chartered Accountants Ratna Mahal Civil Lines Kanpur or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.
The Carrying amount of deferred tax is reviewed at each balance sheet and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow or part of the deferred tax assets to be utilised.
Unrecognised deferred tax assets are re-assessed at each balance sheet date and recognised to the extent where it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax (MAT) credits is recognised as deferred tax assets in the Balance Sheet only when the asset can be measured reliably and to the extent there is convincing evidence that sufficient taxable profit will be available against which the MAT credits can be utilised by the company in future.

xv. Impairment of non-financial assets

Property, plant & equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Carrying amount of assets is reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Impairment is charged to the profit and loss account in the year in which an asset is identified as impaired.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

xvi. Provisions, Contingent Liabilities and Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, 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. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

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 recognized as a finance cost.

MITTAL GUPTA & CO. 14, Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

A contingent asset is not recognised but disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

xvii. Cash and Cash Equivalents.

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which are subject to an insignificant risk of changes in value.

xviii. 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.

A. Financial assets

Initial recognition and measurement

All financial assets, except trade receivables are initially recognized at fair value. Trade receivables are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value of the financial assets, as appropriate, on initial recognition.

The financial assets include trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

Subsequent measurement

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

a) Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is determined using the Effective Interest Rate (EIR) method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms

MITTAL GUPTA & CO. Chartered Accountants 14 Ratna Mahal 15/197 Civil Lines, Kanpur of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income for these financial assets is included in other income using the effective interest rate method.

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

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

In addition, the Company may elect to classify a financial 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'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with the assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 "*Financial Instruments*" which requires expected life time losses to be recognised from initial recognition of receivables. The Company 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 analysed.

Derecognition of financial assets:

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

B. Financial liabilities

Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts etc.

MITTAL GUPTA & CO. Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method or at FVTPL.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities:

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when, and only when the obligation specified in the contract is discharged or cancelled or expires.

C. Offsetting of financial instruments

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

xix. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

MITTAL GUPTA & CO. Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

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

xx. Employees Benefits

All Employees' benefits payable wholly within twelve months after the end of the period in which the employees render the related services are classified as short term employees benefits and are recognized as expense in the period in which the employee renders the related services.

Company's contributions paid/payable toward Employee State Insurance Scheme and Provident Fund are recognized as expense in the profit and Loss during the period in which the employee renders the related services. Employees Gratuity Act, 1972 is not applicable to the Company during the year.

xxi. Cash Flow Statement

Cash flows are stated using the indirect method, whereby profit/loss before tax 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 items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

xxii. Earnings Per Share

Basic earnings per share are computed by dividing the net profit/ (loss) after tax (Including the post-tax effect of extra ordinary items, if any) but before other comprehensive income, attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (Including the post-tax effect of extra ordinary items, if any) but before other comprehensive income adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

xxiii. Leases

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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

MITTAL GUPTA & CO. 14, Ratan Mahal 15/197 Civil Lines, Kanpur Chartered Accountants

(i) As a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Lease Rental payables under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(ii) As a lessor

Lease rental income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless receipt are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

3. **Use of Estimates**

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management of the company to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date.

The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected

The areas involving critical judgement are as follows:

i. Useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods are revised if there are significant changes from previous estimates.

MITTAL GUPTA & CO. Chartered Accountants Ratna Mahal 15/197 Civil Lines, Kanpur

Ehaat Limited
Notes forming part of the Financial Statement

ii. Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

iii. Estimation of current tax and deferred tax

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

Deferred tax assets are recognised for unused tax losses and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iv. Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognized based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

MITTAL GUPTA & CO. 14, Ratna Mahal 15/197 Civil Lines, Kanpur Chartered Accountants