

MERIND

ANNUAL REPORT 2020-21

MERIND

CORPORATE INFORMATION

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DIRECTORS	:	Dr. Huzaifa Khorakiwala Ms. Zahabiya Khorakiwala Mr. Deepak Madnani Mr. Stephen D'Souza
CIN	:	U24239MH1958PLC011204
AUDITORS	:	J. L. Thakkar & Co. Chartered Accountants 1302 Hiranankeshwar CHS, 178-180 Dadi Sheth Agri Lane, Mumbai-400 002
BANKERS	:	ICICI Bank Ltd. IDBI Bank
REGISTRAR AND TRANSFER AGENTS	:	Link Intime India Private Limited Unit: Merind Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400 083 Telephone : +91 22 4918 6270 Fax : +91 22 4918 6060 Email id : rnt.helpdesk@linkintime.co.in Weblink : https://linkintime.co.in

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BOARD'S REPORT

Dear Members,

The Board of Directors are delighted to present the Sixty First Annual Report of the Company along with the Audited Financial Statement for the Financial year ended 31st March, 2021.

FINANCIAL RESULTS AND HIGHLIGHTS

The summary of financial results is given below:

(Amount in ₹ thousand)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Total Revenue	93,527	98,534
Total Expenses	2,932	245,955
Profit/ (Loss) before Tax	90,595	(147,421)
Provision for Tax (Charge)/ Credit	(17,016)	44,510
Profit/ (Loss) after tax	73,579	(102,911)
Other Comprehensive Income	—	—
Total Comprehensive Income/ (Loss)	73,579	(102,911)

STATE OF COMPANY'S AFFAIRS

During the financial year ended 31st March, 2021, the Company's total Revenue stood at ₹ 93,527 thousand as compared to ₹ 98,534 thousand in the previous year.

During the year under review, your Company has registered a profit of ₹ 73,579 thousand for the year as compared to loss of ₹ 102,911 thousand in the previous year.

The Financial Statement of the Company for the year ended 31st March, 2021 has been prepared as per Ind AS and the relevant provisions of the Companies Act, 2013.

DIVIDEND AND RESERVES

In view to conserve the resources of the Company, the Board of Directors of your Company, do not recommend any dividend on the equity shares of the Company for the financial year ended 31st March, 2021.

DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Deepak Madnani (DIN: 07679855), Non-Executive Director retires by rotation as Director of the Company at the ensuing AGM and being eligible, offers himself for the re-appointment. The Board of Directors recommends his re-appointment.

A brief resume and other details of Mr. Deepak Madnani seeking re-appointment is provided in the Notice convening the AGM. The provisions of section 203(1) of the Companies Act, 2013 mandating appointment of Key Managerial Personnel are not applicable to the Company.

None of the directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

BOARD MEETINGS

During the financial year 2020-21, 4 (Four) Board Meetings were held on 14th July, 2020, 18th August, 2020, 7th December, 2020 and 15th March, 2021.

All the members of the Board have attended all the Board meetings held during the year.

The gap between two consecutive meetings was not more than one hundred and eighty days, thereby complying with the applicable statutory requirement for the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

- (a) in the preparation of Annual Accounts for the year ended 31st March, 2021, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- (b) such Accounting Policies as mentioned in the Notes to the Financial Statements for the year ended 31st March, 2021 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended 31st March, 2021;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts for the year ended 31st March, 2021 have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and operating effectively; and
- (f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS' REPORT

J. L. Thakkar & Co., Chartered Accountants (ICAI Firm Registration No: 110898W), were appointed as the Statutory Auditors of the Company at the Fifty Ninth AGM of the Company held on 26th September, 2019, for a term of five (5) consecutive years i.e. from the conclusion of Fifty Ninth AGM till the conclusion of Sixty Fourth AGM of the Company (to be held during calendar year 2024).

The Report given by the Auditors on the Financial Statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year, your Company has complied with all the mandated Secretarial Standards issued by the Institute of Company Secretaries of India.

ANNUAL RETURN

The Company does not have any web-site. The Annual Return of the Company for the financial year 2020-21 in Form of MGT-7 under Section 92 of the Companies Act, 2013 shall be filed by the Company with the Registrar of Companies within the stipulated period.

CORPORATE SOCIAL RESPONSIBILITY

In view of the inadequacy of profits, the Company was not required to spend on CSR activities during the year. Hence, the provision of section 135 of the Companies Act, 2013 is not applicable to the Company.

Notwithstanding the above, the Board of Directors of the Company at their meeting held on 24th September, 2019, re-constituted Corporate Social Responsibility (CSR) Committee, which comprises of Dr. Huzaifa Khorakiwala as Chairman, Ms. Zahabiya Khorakiwala, Mr. Deepak Madnani, and Mr. Stephen D' Souza as members of Committee. Prior to 24th September, 2019, Corporate Social Responsibility (CSR) Committee comprised of Dr. Huzaifa Khorakiwala as Chairman, Ms. Zahabiya Khorakiwala and Mr. Neeraj Jain as members of the Committee.

During the financial year 2020-21, 1 (one) meeting of the CSR committee was held on 18th August, 2020. All the Committee Members were present at the meeting.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate internal financial control procedures commensurate with its size and nature of business. These controls include well defined policies, guidelines, Standard Operating Procedures ('SOPs'), authorization and approval procedures and technology intensive processes. The internal financial controls of the Company are adequate to ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets, and that the business is conducted in an orderly and efficient manner.

During the year under review, there were no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. At present, there are no risks which in the opinion of the Board affect the operations of the Company on going concern basis or which may threaten the existence of the Company. However, the Company has adopted a well-defined Risk Management Framework.

The Board will continue to take steps to review and mitigate the risks which may threaten the existence of the Company, apart from other risks.

The risk assessment procedures and systems ensure that the Board is periodically informed on the material risks faced by the Company and the steps taken by the Company to alleviate those risks.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans given and investments made under Section 186 of the Companies Act, 2013 along with the purpose for which the loan is proposed to be utilised by the recipient are provided under Note Nos. 3, 4 and 8 to the Financial Statement. There are no guarantees given and securities provided under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS / ARRANGEMENT WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year 2020-21 with related parties were in the ordinary course of business and on arm's length basis. Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with relevant Rules, there is no nil details which is required to be provided in Form AOC-2. Hence, Form AOC-2 with Nil/No details is not provided in this Report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The stakeholders relationship committee is empowered to look into redressal of shareholders'/investors' grievance such as complaints relating to transfer/ transmission of shares, change of address, issue of duplicate share certificate, stop transfer request, non-receipt of Annual Reports, service standards for Registrar and Share Transfer Agent, etc.

The Board of Directors of the Company at their meeting held on 24th September, 2019, re-constituted Stakeholders Relationship Committee, which comprises of Ms. Zahabiya Khorakiwala as Chairperson, Dr. Huzaifa Khorakiwala, Mr. Deepak Madnani and Mr. Stephen D'Souza as members of the Committee. Prior to 24th September, 2019, the Stakeholders Relationship Committee comprised of Ms. Zahabiya Khorakiwala as Chairperson, Dr. Huzaifa Khorakiwala and Mr. Neeraj Jain as members of the Committee.

During the financial year 2020-2021, the 2 (two) meetings of Stakeholders Relationship Committee were held on 14th June, 2020 and 7th December, 2020. All the Committee Members were present at the meetings.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 ('Act') read with Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time. The Company has no employees on its payroll. Hence, other disclosures under the said Rules are Nil/Not Applicable.

HOLDING, SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

During the year under review, the Company does not have any subsidiary, associate company or joint venture. The Company's holding Company is Dartmour Holdings Private Limited.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

The Company is not engaged in manufacturing activity and thus its operations are not energy intensive. During the year, the Company was primarily engaged in renting of its immovable property which does not result in consumption of power and energy. Hence, energy conservation measures are not significant to the Company.

B. TECHNOLOGY ABSORPTION

Company's main line of business is renting of its immovable property. There is no usage of any particular technology or process. Hence, the question of technology absorption and importation of any technology does not arise. Further, the expenditure on Research and Development during the financial year 2020-21 was NIL.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings and outgo during the financial year 2020-21.

DEPOSITS

During the year, no deposits were accepted by the Company under Chapter V of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURT

During the year, no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company.

GENERAL

1. During the year, share capital of the Company remained unchanged. Further, there was no issue of equity shares with differential voting rights as to dividend, voting or otherwise and issue of sweat equity shares.
2. Provisions such as Audit Committee, Nomination and Remuneration Committee, Cost Audit and Secretarial Audit are not applicable to the Company.
3. During the year under review, the company did not receive any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company does not have any employees on its payroll, however, pursuant to the Companies (Accounts) Amendment Rules, 2018, the Company has complied with all provisions relating to the Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
4. No material changes and commitments have occurred after the close of the year till the date of this report which may affect the financial position of the Company.

ACKNOWLEDGEMENTS

The Directors also take this as an opportunity to express their gratitude to all the Stakeholders of the Company for their continued support during the year under review.

For and on behalf of the Board of Directors

Dr. Huzaifa Khorakiwala
Chairman
(DIN: 02191870)

Place: Mumbai

Date: 25th August, 2021

INDEPENDENT AUDITORS' REPORT**To the Members of Merind Limited****Report on the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of Merind Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit and its Cash Flows and Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements paragraph 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 Standalone Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our opinion, there are no significant matters that need to be reported under this paragraph.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

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 Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS Financial Statements 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS 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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(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.
 - (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 Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and amendments thereafter.

- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-B; and
- (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, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) as regards the disclosure of pending litigations and effects thereof on the financial position, please refer to Note 18 of Notes on the Standalone Ind AS Financial Statements;
 - (ii) in our opinion, there were no material foreseeable losses on long-term contracts including derivative contracts, that need to be provided for in accounts; and
 - (iii) the Company has no obligation to transfer any amount to the Investor Education and Protection Fund by the Company.

For J. L. Thakkar & Co.

Firm Regn. No. 110898W
Chartered Accountants

J. L. Thakkar – M No. 032318
Proprietor

Mumbai: August 25, 2021
UDIN: 21032318AAAANL1363

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report of even date, to the members on the Standalone Ind AS Financial Statements for the year ended March 31, 2021, required by the Companies (Auditor's Report) Order, 2016 ("the Order") in terms of Section 143 (11) of the Act

1. As regards the Property, Plant and Equipment, on the basis of relevant checks and the information and explanations given, we report that:
 - (a) the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (b) the Property, Plant and Equipment have been physically verified by the management at reasonable intervals, and as informed to us no material discrepancies were noticed on such verification; and
 - (c) the title deeds of immovable properties are held in the name of the company.
2. The Company has no inventory. The question of reporting under para 3(ii) of the Order does not arise.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order does not apply to the Company.
4. In respect of loans given and investments made during the year, provisions of section 185 and 186 of the Act have been complied with. No guarantees or security in respect of any loan was given during the year.
5. During the year, according to the information and explanations given, the Company did not accept any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed thereunder.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act. The question of reporting under para 3(vi) of the Order does not arise.
7. (a) According to the records of the Company, the company is generally regular in depositing undisputed statutory dues, if any, including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, customs duty, cess and any other material statutory dues to the appropriate authorities. According to the information and explanations given by the management, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) Excepting the excise duty dues referred to below, according to the information and explanations given and the records of the Company, there were no dues as at March 31, 2021 of Income-tax, Sales Tax, Service Tax, goods and services tax, Custom Duty, Excise Duty or Value Added Tax which have not been deposited on account of any dispute.

The following excise duty dues have not been deposited to the Government as the same have been disputed by the Company.

Year	Amount (₹ In thousand)	As per disputed order of
1991-94	9,964	CESTAT

8. According to the records of the Company, it has no borrowings from any financial institution, bank, Government or by way of debentures. Accordingly, there is no question of defaulting in repayment of these loans or borrowings.
9. During the year, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and there were no borrowing by term loans. Accordingly, the question of reporting on the application of these monies and borrowings does not arise.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. Excepting the sitting fees paid to directors in compliance to section 197 of the Act, no other managerial remuneration has been paid or provided during the year.
12. The Company is not a Nidhi Company. Accordingly the provisions of Nidhi Rules, 2014 do not apply.

13. All transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable, and their details have been disclosed in the Standalone Ind AS Financial Statements as required under Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or of fully/partly convertible debentures during the year under review. The question of compliance of provisions and related disclosures therefore does not arise.
15. During the year, the company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, the question of compliance of section 192 of the Act does not arise.
16. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For J. L. Thakkar & Co.

Firm Regn. No. 110898W

Chartered Accountants

J. L. Thakkar – M No. 032318

Proprietor

Mumbai: August 25, 2021

UDIN: 21032318AAAAANL1363

ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2.f under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report of even date, to the members on the Standalone Ind AS Financial Statements for the year ended March 31, 2021

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Merind Limited ('the Company') as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS 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 over financial reporting 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 (the "Guidance Note") 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Auditors' judgement, including the assessment of the risks of material misstatement of the Ind AS 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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.

For J. L. Thakkar & Co.
Firm Regn. No. 110898W
Chartered Accountants

J. L. Thakkar – M No. 032318
Proprietor

Mumbai: August 25, 2021
UDIN: 21032318AAAAANL1363

BALANCE SHEET AS AT MARCH 31, 2021

(All amounts in thousand of Indian Rupees unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	1,491	1,538
Financial assets			
Investments	3	757,770	719,429
Non-current tax assets (Net)		76,004	76,957
Other non-current assets	4	4,822	4,822
		<u>840,087</u>	<u>802,746</u>
Current assets			
Financial Assets			
Trade receivables	5	–	–
Cash and cash equivalents	6	33,531	32,011
Bank balances (other than above)	7	52,440	7,062
Loans given	8	812,052	818,569
Others	9	796	656
Other current assets	10	1,290	1,240
		<u>900,109</u>	<u>859,538</u>
TOTAL ASSETS		<u>1,740,196</u>	<u>1,662,284</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	11	36,420	36,420
Other Equity		1,672,763	1,599,184
		<u>1,709,183</u>	<u>1,635,604</u>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	12	5,892	1,743
		<u>5,892</u>	<u>1,743</u>
Current liabilities			
Financial Liabilities			
Other financial liabilities	13	452	268
Other current liabilities	14	11	11
Current Tax Liabilities (Net)		24,658	24,658
		<u>25,121</u>	<u>24,937</u>
TOTAL LIABILITIES		<u>1,740,196</u>	<u>1,662,284</u>
Significant accounting policies	1B		

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

For J. L. Thakkar & Co.
Firm Regn. No. 110898W
Chartered Accountants

J. L. Thakkar – M No. 032318
Proprietor

Place : Mumbai
Date : August 25, 2021

For and on behalf of the Board of Directors

Huzaiifa Khorakiwala
Director
DIN: 02191870

Zahabiya Khorakiwala
Director
DIN: 00102689

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in thousand of Indian Rupees unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
REVENUE			
Other Income	15	93,527	98,534
Total Revenue		93,527	98,534
EXPENSES			
Finance costs - Interest on income tax		-	16
Depreciation and amortisation expense	2	47	47
Other Expenses	16	2,885	245,892
Total Expenses		2,932	245,955
Profit/(Loss) before tax		90,595	(147,421)
Tax Expense	12		
Current Tax		(12,867)	(14,613)
Deferred Tax (Charge)/Credit- Net		(4,149)	59,123
Profit/(Loss) after Tax		73,579	(102,911)
Other Comprehensive Income		-	-
Total Comprehensive Income		73,579	(102,911)
Earnings per equity share of face value of ₹ 10 each			
Basic ₹	17	20.20	(28.26)
Diluted ₹	17	20.20	(28.26)

Significant accounting policies

1B

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date
For J. L. Thakkar & Co.

 Firm Regn. No. 110898W
Chartered Accountants

J. L. Thakkar – M No. 032318

Proprietor

Place : Mumbai

Date : August 25, 2021

For and on behalf of the Board of Directors
Huzaiifa Khorakiwala

Director

DIN: 02191870

Zahabiya Khorakiwala

Director

DIN: 00102689

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in thousand of Indian Rupees unless otherwise stated)

Equity Share Capital

As at April 01, 2019	Changes in equity share capital during the year	As at March 31, 2020	Changes in equity share capital during the year	As at March 31, 2021
36,420	–	36,420	–	36,420

Other equity

	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance as on April 01, 2019	110,520	1,591,575	1,702,095
Loss for the year	–	(102,911)	(102,911)
Other Comprehensive income for the year	–	–	–
Total Comprehensive Income	–	(102,911)	(102,911)
Balance as on March 31, 2020	110,520	1,488,664	1,599,184
Profit for the year	–	73,579	73,579
Other Comprehensive income for the year	–	–	–
Total Comprehensive Income	–	73,579	73,579
Balance as on March 31, 2021	110,520	1,562,243	1,672,763

Notes: Nature and purpose of reserves:

Securities premium

Securities premium is used to record the premium received on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

As per our attached report of even date

For J. L. Thakkar & Co.
Firm Regn. No. 110898W
Chartered Accountants

J. L. Thakkar – M No. 032318
Proprietor

Place : Mumbai
Date : August 25, 2021

For and on behalf of the Board of Directors

Huzaiifa Khorakiwala
Director
DIN: 02191870

Zahabiya Khorakiwala
Director
DIN: 00102689

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in thousand of Indian Rupees unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Net profit/(loss) before taxation	90,595	(147,421)
Adjustments for:		
Depreciation and amortisation expense	47	47
Finance costs	–	16
Interest Income	(91,855)	(97,971)
Fair valuation loss on debentures	–	27,220
Loss on redemption/sale of debentures	–	217,187
Operating loss before Working Capital changes	(1,213)	(922)
Movement in working capital:		
(Increase)/Decrease in Loans and advances and other assets	(191)	(744)
Increase/(Decrease) in Liabilities and Provisions	185	(5,629)
Cash used in Operations	(1,219)	(7,295)
Income taxes paid, net	(11,914)	(15,386)
Net cash used in Operating Activities (A)	(13,133)	(22,681)
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Redemption/Sale of Debentures	–	654,000
Premium received on redemption of Debentures	–	32,283
Purchase of investments	–	(132,000)
Repayment by/(Loans to) related parties (net)	41,032	(674,564)
Margin money and Fixed Deposits	(45,378)	49,228
Interest Received	18,999	4,586
Net cash from/(used in) Investing Activities (B)	14,653	(66,467)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Net cash from/(used in) Financing Activities (C)	–	–
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,520	(89,148)
Cash and cash equivalents at beginning of year	32,011	121,159
Cash and cash equivalents at end of year (see Note below)	33,531	32,011
Note:		
Component of cash and cash equivalents as at March 31, 2021		
Cash	1	1
Balance with banks:		
– in current account	33,530	32,010
	33,531	32,011

Notes:

- All figures in bracket are outflow.
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS 7)- 'Cash Flow Statements'.

As per our attached report of even date

For J. L. Thakkar & Co.
Firm Regn. No. 110898W
Chartered Accountants

J. L. Thakkar – M No. 032318
Proprietor

Place : Mumbai
Date : August 25, 2021

For and on behalf of the Board of Directors

Huzaiifa Khorakiwala
Director
DIN: 02191870

Zahabiya Khorakiwala
Director
DIN: 00102689

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in thousand of Indian Rupees unless otherwise stated)

1. A. CORPORATE INFORMATION

Merind Limited (the 'Company') is a public limited Company incorporated in India and has its registered office at Readymoney Terrace, 2nd floor, Room no. 5, 167, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra, India. The Company is the subsidiary of Dartmour Holdings Private Limited.

B. SIGNIFICANT ACCOUNTING POLICIES**a) BASIS OF ACCOUNTING**

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act / Companies Act, 1956 ("the 1956 Act"), as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention.

Apart from leasing Management is exploring possibilities of alternative business opportunities. Hence, accounts are prepared under going concern assumption.

b) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian rupees, which is the functional currency of the company.

c) USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

Estimates and assumptions are required in particular for:

- Useful life and residual value of Property, Plant and Equipment and intangible assets:

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

d) PROPERTY, PLANT AND EQUIPMENT**i) Recognition and Measurement**

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in the Statement of Profit and Loss. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

iii) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, in accordance with the requirements of Schedule II of the Companies Act, 2013, based on the useful lives of the assets determined through technical assessment by the management. The estimated useful lives followed by the Company are as follows:

Assets	Estimated useful life
Buildings	61 years
Plant and Machinery	21 years

Fixed assets whose aggregate cost is Rs 5,000 or less are depreciated fully in the year of acquisition.

iv) Impairment

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

e) BORROWING COSTS

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR.

Financing / Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date of capitalization of such assets. Capitalisation of borrowing cost is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

Other financing /borrowing costs are charged to the Statement of Profit and Loss. Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

f) FINANCIAL INSTRUMENTS

I. Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments measured at fair value through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value

through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

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

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

entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

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.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

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

III. Fair value:

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

- (A) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities which are listed in a recognised stock exchange.
- (B) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.
- (C) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

g) REVENUE RECOGNITION

Sale of services

Revenue from sale of service is recognized on completion of rendering of services and the Company's performance obligations are satisfied.

Rental income is recognised as per the terms of the agreement.

Interest income is recognised with reference to the EIR method. Dividend from investments is recognised as revenue when right to receive is established.

h) INCOME TAX

Tax expense comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or OCI.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. 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 realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

i) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at the balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

- (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets

Contingent assets are not recognised in the Financial Statements.

j) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

k) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

l) OPERATING CYCLE

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

C. RECENT PRONOUNCEMENTS RELATED TO DIVISION II OF SCHEDULE III

Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 has amended Schedule III of the Companies Act, 2013, which shall be effective from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Ageing schedule of trade receivables, trade payables, capital work-in-progress in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Security deposits to be presented under other financial assets.
- Current maturities of long-term borrowings to be disclosed separately under borrowings.
- Disclosure of prescribed ratios e.g. current ratio, debt-equity ratio.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, disclosure relating to ratios etc.
- Enhanced disclosure for borrowings from banks or financial institutions on the basis of security of current assets such as agreement of quarterly returns or statements of current assets filed by the Company with banks or financial institutions with books of accounts and if not, summary of reconciliation and reason of material discrepancies, if any.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Company is in the process of evaluating the above amendments.

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions/ Other adjustments	As at March 31, 2021	As at April 01, 2020	Depreciation for the year	Deductions/ Other adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Buildings	2,705	–	–	2,705	1,201	44	–	1,245	1,460	1,504
Plant and Equipment	56	–	–	56	22	3	–	25	31	34
TOTAL	2,761	–	–	2,761	1,223	47	–	1,270	1,491	1,538

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions/ Other adjustments	As at March 31, 2020	As at April 01, 2019	Depreciation for the year	Deductions/ Other adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Buildings	2,705	–	–	2,705	1,157	44	–	1,201	1,504	1,548
Plant and Equipment	56	–	–	56	19	3	–	22	34	37
TOTAL	2,761	–	–	2,761	1,176	47	–	1,223	1,538	1,585

3. NON-CURRENT INVESTMENTS

	As at March 31, 2021	As at March 31, 2020
A. Investment at fair value through Other comprehensive income		
Unquoted equity shares		
Fellow Subsidiary Company		
1,612,903 (Previous year – 1,612,903) Equity Shares of ₹ 10 each fully paid up in Wockhardt Hospitals Limited.	198,284	198,284
B. Investment at fair value through Profit or Loss		
Investment in preference shares-unquoted		
5,129,626 (Previous year – 5,129,626) 0.1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up in Wockhardt Hospitals Limited	305,325	290,090
C. Investment at amortised cost		
Investment in preference shares-unquoted		
19,000,000 (Previous year – 19,000,000) 3% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up in Banneret Trading Private Limited	90,528	82,298
2,579,350 (Previous year – 2,579,350) 3% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up in Palanpur Holdings and Investments Private Limited	122,941	111,764
854,500 (Previous year – 854,500) 3% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up in Tridoss Laboratories Private Limited	40,692	36,993
TOTAL	757,770	719,429
Aggregate amount of unquoted investments	757,770	719,429

4. OTHER NON-CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security Deposits (Refer note below)	4,822	4,822
TOTAL	4,822	4,822

Note:

Security Deposit include ₹ 2,500 thousand (Previous year- ₹ 2,500 thousand) being a deposit made with the Bombay High Court (Refer note 18).

5. TRADE RECEIVABLES

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered doubtful	3,416	3,416
Less: Allowance for credit loss	(3,416)	(3,416)
	-	-
TOTAL	-	-

Note:

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

6. CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Cash in Hand	1	1
Balances with Banks:		
In Current Accounts	33,530	32,010
TOTAL	33,531	32,011

7. OTHER BANK BALANCES

	As at March 31, 2021	As at March 31, 2020
Deposits with maturity more than 3 months but less than 12 months	13,142	-
Deposits with maturity more than 12 months	32,052	-
Margin money (under lien)	7,246	7,062
TOTAL	52,440	7,062

8. LOANS GIVEN

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
Loans to related parties (Refer note 19)	741,987	752,397
Loans to companies	70,065	66,172
TOTAL	812,052	818,569

9. OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
Other receivables	796	656
TOTAL	796	656

10. OTHER CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Balances with Statutory/Government authorities	718	647
Other advances	572	593
TOTAL	1,290	1,240

11. EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of 10/- each	4,200,000	42,000	4,200,000	42,000
	4,200,000	42,000	4,200,000	42,000
Issued, Subscribed and fully paid up				
Equity shares of 10/- each	3,642,000	36,420	3,642,000	36,420
	3,642,000	36,420	3,642,000	36,420

Notes:

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares at beginning of the year	3,642,000	36,420	3,642,000	36,420
Add: Shares issued during the year	-	-	-	-
Equity shares at end of the year	3,642,000	36,420	3,642,000	36,420

b) Terms /rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. 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 number of equity shares held by the shareholders.

c) Shares held by holding company

Of the above equity shares 3,498,336 (Previous year- 3,498,336) fully paid up equity shares are held by Dartmour Holdings Private Limited, the Holding Company. The Holding company is holding 96.06% (Previous year- 96.06%).

d) Shareholders holding more than 5% of total equity shares :

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Dartmour Holdings Private Limited	3,498,336	96.06%	3,498,336	96.06%

12. INCOME TAX
(a) Tax recognised in profit or loss

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax (charge)/credit	(12,867)	(14,613)
Deferred tax (charge)/credit, net		
Origination and reversal of temporary differences (including Minimum Alternative Tax)	(4,149)	57,187
Change in Indian corporate tax rate	–	1,936
Deferred tax (charge)/credit	(4,149)	59,123
Tax (charge)/credit for the year	(17,016)	44,510

(b) Amounts recognised in other comprehensive income

There is no Other Comprehensive Income recognised during the year.

(c) Reconciliation of effective tax rate

		For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) before tax	(i)	90,595	(147,421)
Tax using the Company's domestic tax rate (Current year - 25.17% and Previous year - 25.17%)		22,803	(37,106)
Items exempt from tax		(5,816)	(5,287)
Deductions admissible under section 24 and 25 of the Income Tax Act, 1961		(36)	(42)
Impact on account of difference in tax rate		(666)	(572)
Non-deductible expenses for tax purposes		731	387
Impact of re-measurement of tax due to rate change		–	(1,890)
Tax expense/(income) as per profit or loss	(ii)	17,016	(44,510)
Effective tax rate for the year	(ii)/(i)	18.78%	30.19%

The effective tax rate for the current year is lower mainly on account of income exempt from tax. The effective tax rate for the previous year was higher mainly on account of remeasurement of tax due to change in the tax rate.

(d) Movement in deferred tax balances

	As at April 01, 2019	Recognised in profit or loss	As at March 31, 2020	Recognised in profit or loss	As at March 31, 2021
Deferred income tax liabilities					
Fair valuation of debentures	(63,545)	63,545	–	–	–
	(63,545)	63,545	–	–	–
Deferred income tax assets					
Preference shares at amortised cost	(223)	(2,500)	(2,723)	(3,169)	(5,892)
Loans to companies	2,903	(1,923)	980	(980)	–
	2,680	(4,423)	(1,743)	(4,149)	(5,892)
Deferred income tax assets/(liability)	(60,865)	59,123	(1,743)	(4,149)	(5,892)
Net Deferred tax assets/(liability)	(60,865)	59,123	(1,743)	(4,149)	(5,892)

Notes:

- i) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- ii) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on Company's estimates of taxable income of the jurisdiction in which the company operates and the period over which deferred income tax assets will be recovered.

13. OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Other liabilities	452	268
TOTAL	452	268

14. OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Statutory and Other liabilities	11	11
TOTAL	11	11

15. OTHER INCOME

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent income	485	563
Interest income	49,621	57,676
Fair valuation of preference shares	15,235	12,016
Notional interest on preference shares	23,106	21,005
Notional interest on loans to companies	3,893	7,274
Miscellaneous income	1,187	–
TOTAL	93,527	98,534

Note:

Miscellaneous income to the extent of ₹ 16 thousand (Previous year- ₹ Nil) is on account of liabilities no more payable.

16. OTHER EXPENSES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	9	9
Repairs and maintenance		
– to Building	512	345
Legal and Professional Charges	1,201	569
Auditor's remuneration (for audit fees)	160	160
Fair valuation loss on debentures, net	–	27,220
Loss on redemption/sale of debentures	–	217,187
Miscellaneous expenses (Refer note 25)	1,003	402
TOTAL	2,885	245,892

17. EARNINGS PER SHARE

The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:

Reconciliation of earnings

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) after tax	73,579	(102,911)
Net Profit/(loss) for calculation of basic/diluted EPS	73,579	(102,911)

Reconciliation of number of shares

	No of shares	No of shares
Weighted average number of shares in calculating Basic/Diluted EPS	3,642,000	3,642,000
	3,642,000	3,642,000

Earnings per share (nominal value ₹ 10/- each)

Earnings per share - Basic/Diluted **20.20** (28.26)

18. CONTINGENT LIABILITIES AND COMMITMENTS

- (i) The Company had received a Recovery Notice dated August 25, 1995 for ₹ 9,080 thousand in respect of alleged overcharging of price on its 'ALPHADOPA' 250 mg. tablets.

The Company had meetings with the Ministry of Petrochemicals, New Delhi, contending that the above claim is unjustified as the notified prices prevalent at the relative time and on the basis of which the Government has sought to raise the above claim, were calculated on the basis of the price of the bulk drug Methyldopa which was manufactured and supplied locally. However, at the relevant time, the said bulk drug was not available locally anywhere in the country. The Company has got letters on its record from the concerned manufacturers of the said bulk drug to this effect.

The Company had made representations against the above Notice to the Government in response to which the Government pending further examination, had reduced the amount of the above recovery notice from ₹ 9,080 thousand to ₹ 5,570 thousand. Thereafter the Ministry of Chemical and Fertilizers sent Notice on February 04, 1997 with reference to Company's letter dated December 19, 1996 wherein Ministry of Chemical and Fertilizers has directed to surrender sum of ₹ 9,179 thousand which is inclusive of the tentative interest 15% on the amount of ₹ 5,567 thousand to the Government.

In July 1997, the Company filed a writ petition to quashing and setting aside the impugned demand notice dated February 04, 1997 before the Bombay High Court. The Court was pleased to grant stay, restraining the Government from taking any action on the said demand notice, pending the hearing and final disposal of the writ petition. In fulfilment of the conditions of the stay order, the Company has deposited a sum of ₹ 2,500 thousand with the Bombay High Court and has also given an undertaking that in the event of the petition being dismissed, the Company would pay the Government the differential amount, as may be directed, along with the interest at the rate of 15% p.a.

The Company contends that no amount is payable by it.

- (ii) Excise demands raised by the authorities and disputed by the Company ₹ 9,964 thousand (Previous year- ₹ 9,964 thousand)

19. RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES
a) Parties where control exists
Holding Company

Dartmour Holdings Private Limited

Fellow Subsidiary Company

Wockhardt Hospitals Limited

Individuals exercising control over the Company

H. F. Khorakiwala

Entities having direct or indirect control over the Company

Habil Khorakiwala Trust- Themisto Trustee Company Private Limited holds shares in the Holding Company in its capacity as the trustee of Habil Khorakiwala Trust.

Key Managerial Personnel

Zahabiya Khorakiwala - Non-Executive Director

Huzaifa Khorakiwala - Non-Executive Director

Deepak Madnani- Non- Executive Non-Independent directors Director

Stephen D'Souza- Non- Executive Non-Independent directors Director

Entities under common control

Banneret Trading Private Limited

Palanpur Holdings and Investments Private Limited

Carol Info Services Limited

Khorakiwala Holdings and Investments Private Limited

Wockhardt Limited

Wockhardt Infrastructure Development Limited

Wockhardt Foundation

	For the year ended March 31, 2021	For the year ended March 31, 2020
b) Transactions with related parties		
(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties)		
Fellow Subsidiary Company		
Premium received on redemption of Optionally Convertible Redeemable Debentures by Wockhardt Hospitals Limited	–	32,283
Redemption of Optionally Convertible Redeemable Debentures by Wockhardt Hospitals Limited	–	70,000
Investment in 0.1% Optionally Convertible Cumulative Redeemable Preference Shares	–	132,000
Entities under common control		
<i>Khorakiwala Holdings and Investments Private Limited</i>		
Loan given	7,000	250,000
Loan repaid	164,136	100,800
Interest received on Loan given	2,172	8,818
<i>Wockhardt Limited</i>		
Loan given	450,000	584,000
Loan repaid	325,261	–
Interest received on Loan given	28,450	12,512
Rent recovered	127	–
<i>Carol Info Services Limited</i>		
Loan repaid	–	54,690
Sale of Optionally Convertible Redeemable Debentures of Wockhardt Hospitals Limited	–	584,000
<i>Wockhardt Foundation</i>		
Donation given	500	–
Key Managerial Personnel		
Director Sitting Fees paid to Neeraj Jain ₹ Nil (Previous Year ₹ - 7 thousand), Deepak Madnani ₹ 5 thousand (Previous Year ₹ 7 thousand), Stephen D'Souza ₹ 6 thousand (Previous Year - ₹ 2 thousand)	11	16

	As at March 31, 2021	As at March 31, 2020
c) Related party balances		
(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties. Where such amounts are different from carrying amount as per Ind AS Financial Statement, their carrying amounts have been separately disclosed in brackets)		
Receivable from Wockhardt Hospitals Limited	67	67
Receivable from Khorakiwala Holdings and Investments Private Limited	–	157,136
Receivable from Wockhardt Limited	742,114	595,261
Payable to Key Managerial Personnel - Neeraj Jain ₹ Nil (Previous Year - ₹ 7 thousand), Deepak Madnani ₹ 3 thousand (Previous Year - ₹ 6 thousand), Stephen D'Souza ₹ 8 thousand (Previous Year - ₹ 2 thousand)	11	15

20. SEGMENT REPORTING
General Information

The Company does not have any operational activities. However, the Company has temporarily leased out its Immovable properties from which rental income is generated. Accordingly, the requirements of Ind AS 108 Operating Segments do not apply to the Company.

21. FINANCIAL INSTRUMENTS
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below.

March 31, 2021	Carrying amount			Total	Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost		
Assets					
Investments	305,325	198,284	254,161	757,770	1,140,499
Cash and cash equivalents	–	–	33,531	33,531	33,531
Bank balance (other than above)	–	–	52,440	52,440	52,440
Loans given	–	–	812,052	812,052	812,052
Others	–	–	796	796	796
TOTAL	305,325	198,284	1,152,980	1,656,589	2,039,318
Liabilities					
Other liabilities and provisions	–	–	452	452	452
TOTAL	–	–	452	452	452

March 31, 2021	Fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets				
Investments	–	636,890	503,609	1,140,499
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Loans given	–	–	–	–
Others	–	–	–	–
TOTAL	–	636,890	503,609	1,140,499
Liabilities				
Other liabilities and provisions	–	–	–	–
TOTAL	–	–	–	–

March 31, 2020	Carrying amount				Total Fair value
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Total
Assets					
Investments	290,090	198,284	231,055	719,429	1,047,087
Cash and cash equivalents	–	–	32,011	32,011	32,011
Bank balance (other than above)	–	–	7,062	7,062	7,062
Loans given	–	–	818,569	818,569	818,569
Others	–	–	656	656	656
TOTAL	290,090	198,284	1,089,353	1,577,727	1,905,385
Liabilities					
Other liabilities and provisions	–	–	268	268	268
TOTAL	–	–	268	268	268

March 31, 2020	Fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets				
Investments	–	558,713	488,374	1,047,087
Cash and cash equivalents	–	–	–	–
Bank balance (other than above)	–	–	–	–
Loans given	–	–	–	–
Others	–	–	–	–
TOTAL	–	558,713	488,374	1,047,087
Liabilities				
Other liabilities and provisions	–	–	–	–
TOTAL	–	–	–	–

B. Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in Unquoted Equity Instruments	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) EBITDA margins based on average EBITDA margin (ii) Terminal growth rate based on the Company's long term sustainable growth rate potential	The estimated fair value would increase/(decrease) if: – the EBITDA margin were higher/(lower) – the terminal growth rate were higher/(lower) or; – the weighted average cost of capital were lower/(higher)
Investments measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Discounted cash inflows	Not applicable
Loans given	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Discounted cash inflows	Not applicable
Investment in Unquoted Preference shares - 3% Non-Convertible Cumulative Redeemable Preference Shares	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Discounted cash inflows	Not applicable
Investment in Unquoted Preference shares - 0.1% Optionally Convertible Cumulative Redeemable Preference Shares	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	(i) Discounted cash inflows	The estimated fair value would increase/(decrease) if: – the risk adjusted discount rate were lower/(higher) – the cash inflows were higher/(lower)

22. FINANCIAL RISK MANAGEMENT

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

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

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to policies and procedures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

i. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities. The Company monitors the net liquidity position through forecasts on the basis of expected cash flows.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2021	<i>Contractual cash flows</i>					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Other current financial liabilities	452	452	452	–	–	–
	452	452	452	–	–	–

March 31, 2020	<i>Contractual cash flows</i>					
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Other current financial liabilities	268	268	268	–	–	–
	268	268	268	–	–	–

ii. Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each parties. The demographics of the parties, including the default risk of the industry and country in which the parties operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of parties to which the Company grants credit terms in the normal course of business.

As on March 31, 2021 and March 31, 2020, the Company did not have any significant concentration of credit risk with any external parties.

Summary of the Company's exposure to credit risk by age of the outstanding from various parties is as follows:

	Net Carrying amount	
	As at March 31, 2021	As at March 31, 2020
Past due not impaired		
Past due 1–180 days	701	561
Past due 181–365 days	–	–
More than 365 days	95	95
TOTAL	796	656

Expected credit loss assessment for parties as at March 31, 2021 and March 31, 2020

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to balances outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting parties of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	As at March 31, 2021	As at March 31, 2020
Opening Balance	3,416	3,416
Impairment loss recognised	–	–
Amounts written off	–	–
Closing Balance	3,416	3,416

Cash and bank balances

The Company held cash and bank balances of ₹ 85,971 thousand at March 31, 2021 (Previous year - ₹ 39,073 thousand). These balances are held with bank with good credit ratings.

Others

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Company is exposed can be classified as Currency risk and Interest rate risk . The Company does not have any currency risk.

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 interest rates. Since the Company has insignificant interest bearing loans, the exposure to risk of changes in market interest rates is minimal. The Company has not have any borrowings.

23. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain shareholders and creditor confidence and to sustain future development of the business. The primary objective of the company's management is to maximise the shareholder value.

The company has adequate cash and bank balances and continues to remain debt-free. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements.

24. INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN (UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013) - AT TRANSACTION COST:

Name of the Company	Outstanding as at the beginning of the year	Given during the year	Repaid during the year	Closing at the end of the year	Purpose
Carol Info Services Limited	–	–	–	–	General purpose
(Previous Year)	54,690	–	54,690	–	
Ellora Resorts Management Private Limited	70,065	–	–	70,065	General purpose
(Previous Year)	70,065	–	–	70,065	
Khorakiwala Holdings and Investments Private Limited	157,136	9,009	166,145	–	General purpose
(Previous year)	1,814	257,936	102,614	157,136	
Wockhardt Limited	595,261	476,316	329,590	741,987	General purpose
(Previous year)	–	595,261	–	595,261	

Note: Refer Note 3 for the investments made by the Company. Further all the amounts mentioned above are the contractual amounts based on the arrangements with the respective parties.

25. As part of Corporate Social Responsibility (CSR), the Company has made contribution of ₹ 500 thousand during the year (Previous year - ₹ Nil) for spending on CSR activities. The aforesaid amount has been included in Note 16 - Miscellaneous expenses. Also Refer note 19.

26. SUBSEQUENT EVENTS

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

27. Previous year figures have been regrouped where necessary to conform to current year's classification.

As per our attached report of even date

For J. L. Thakkar & Co.
Firm Regn. No. 110898W
Chartered Accountants

J. L. Thakkar – M No. 032318
Proprietor

Place : Mumbai
Date : August 25, 2021

For and on behalf of the Board of Directors

Huzaiifa Khorakiwala
Director
DIN: 02191870

Zahabiya Khorakiwala
Director
DIN: 00102689

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