

**A. M. GHELANI & COMPANY**  
**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of Enhance Holdings Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

**Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **Enhance Holdings Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2021 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion.

**Other Information**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Based on the work we have performed, if 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.

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#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 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 financial controls 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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h) 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, 2016, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations as on the reporting date.
- ii. The Company did not have any long-term contracts including derivative contracts that require provisions under any law or accounting standards for which there were any material foreseeable losses.
- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

**For A M. Ghelani & Company**  
**Chartered Accountants**  
Firm Registration No.: 103173W



**Chintan A. Ghelani**  
Partner  
Membership No.: 104391



ICAI UDIN: 21104391AAAAAD23714

Place : Mumbai  
Date : 25 MAY 2021

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**Annexure A" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date**

**The Annexure referred to in Independent Auditor's Report to the members of the company on the Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2021, we report that:**

- i) The Company does not have any Fixed Assets.
- ii) As the company did not carry any items of raw materials, components, stores and spare parts in the inventory during the year. Therefore, the provisions of the clause (ii) of the order are not applicable.
- iii) The Company has not granted any loans, secured or unsecured to Companies, Firm or other parties covered in the register maintained under section 189 of the Act. Consequently, the requirement of clause (iii) (a) and clause (iii) (b) of paragraph 3 of the order not applicable to the company.
- iv) The Company has not granted any loans, guarantee and has not purchased security of other body corporate during the year. Hence, the requirement of clause (iv) of paragraph 3 of the order not applicable to the company.
- v) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed hereunder. Therefore, provisions of Clause (v) of paragraph 3 of the Order are not applicable to the company.
- vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act.
- vii) In respect of Statutory dues :
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.
  - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess on account of any dispute, which have not been deposited.
- viii) As per information and explanations given to us the company has not borrowed any funds from financial institutions or bank. Therefore, the provisions of clause (viii) of the order are not applicable.
- ix) The company has not obtained any term loans during the year.
- x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi) As per information and explanation given to us, the company has not paid or provided managerial remuneration. Therefore, the provisions of clause (xi) of the order are not applicable.

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- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provision of clause (xii) of the Paragraph 3 of the Order Not applicable to the Company.
- xiii) In our opinion, all the transactions with related parties are in compliance with section 177 and 188 of The Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Accordingly, the provision of clause (xiv) of paragraph 3 of the order not applicable to the company.
- xv) The Company has not entered into any Non-Cash transaction with Director or Persons connected with him. Hence, the requirement of Clause (xv) of paragraph 3 of the Order Not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and accordingly, the provision of Clause (xvi) of the paragraph 3 of Order not applicable to the Company.

**For A.M. Ghelani & Company**  
Chartered Accountants  
Registration No : 103173W

  
**Chintan A. Ghelani**  
Partner

Membership No.: 104391



ICAI UDIN: 21164391AAAAAD23714

Place : Mumbai

Dated : 25 MAY 2021

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**“Annexure B” referred to in paragraph 2(f) under the heading Report on other legal and regulatory requirements of our report of even date**

**Report on the Internal Financial Controls 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 **Enhance Holdings Private Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone 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 issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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, 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 A.M. Ghelani & Company**  
Chartered Accountants  
Registration No : 103173W

  
**Chintan A. Ghelani**  
Partner  
Membership No.: 104391



ICAI UDIN: 21104391AAAAD23714

Place : Mumbai  
Dated : 25 MAY 2021



**Enhance Holdings Private Limited**  
**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

**1. Corporate Information:**

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at C/o Market City Resources Pvt. Ltd, Ground Floor, R.R. Hosiery Bldg, Shree Laxmi Woollen Mills Estate Mahalaxmi, Mumbai 400011.

These financial statements were approved and adopted by board of directors of the Company in their meeting dated 25<sup>th</sup> May, 2021.

**2. Basis of Preparation of Financial Statement:**

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The significant accounting policies used in preparing financial statements are set out below in Note 3 of the Notes to Financial Statements.

**3. Significant Accounting Policies:**

**a) Functional and presentation of currency:**

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest rupees.

**b) Basis of measurement:**

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that is measured at fair value.

**c) Impairment of Non – Financial Asset:**

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

In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

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**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

**d) Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**e) Foreign currency transactions:**

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non-monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non-monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss account.

**f) Financial Instrument:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

*Financial Assets and investments*

**i) Initial recognition and measurement:**

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

**ii) Subsequent recognition and measurement:**

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

• **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Debt instrument at fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except

**Enhance Holdings Private Limited**  
**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

for the recognition of impairment gains or losses and interest revenue which are recognised in the statement of profit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest ratemethod.

• **Debt instrument 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 the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

• **Equity instruments:**

All equity instruments are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity securities are recognised in Other Comprehensive Income.

iii) De-recognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right 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 'pass-through' arrangement and either;
  - a) The Company has transferred substantially all the risks and rewards of the assets,
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

iv) Impairment of Financial asset:

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

**Enhance Holdings Private Limited**  
**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognise impairment loss allowance based on 12-month ECL.

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

- For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

*Financial Liabilities:*

i) Initial recognition and measurement:

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.

ii) Subsequent measurement:

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition 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.

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

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**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and Borrowings:

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

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

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

iii) De - recognition:

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

*Offsetting of Financial Instruments:*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

**g) Classification of assets and liabilities as current and non – current:**

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

**Enhance Holdings Private Limited**  
**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

**h) Equity share capital:**

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

**i) Revenue Recognition:**

Revenue is recognised to the extent that is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

*Interest income*

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

*Dividends*

Dividends are recognised when the right to receive the payment is established.

**j) Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

**Enhance Holdings Private Limited**  
**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

**k) Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**l) Income Taxes:**

*Current Income Tax:*

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

*Deferred Tax:*

Deferred Tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Enhance Holdings Private Limited**  
**Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

**m) Earning per share:**

Basic earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**4. Critical accounting estimates, assumptions and judgements:**

The preparation of the financial statements requires management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available, when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have significant effect on the amounts recognized in the financial statement:

**(a) Provisions:**

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

**(b) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continually evaluated.

**(c) Fair Value measurement:**

The Company measures financial instrument such as certain investments, at fair value at each balance sheet date.



## **Enhance Holdings Private Limited**

### **Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2021**

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**Enhance Holdings Private Limited**  
**Balance Sheet as at 31st March, 2021**

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
Investments	5	-	-
		-	-
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6	13,148	13,384
		<b>13,148</b>	<b>13,384</b>
<b>TOTAL ASSETS</b>		<b>13,148</b>	<b>13,384</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	7	1,00,000	1,00,000
Other equity	8	(12,95,40,396)	(12,95,11,082)
		<b>(12,94,40,396)</b>	<b>(12,94,11,082)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	9	12,93,22,100	12,93,22,100
		<b>12,93,22,100</b>	<b>12,93,22,100</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade Payables	10	-	-
Micro and Small Enterprises		-	-
Due to Others		78,731	60,981
Other Current Liabilities	11	52,713	41,385
		<b>1,31,444</b>	<b>1,02,366</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,148</b>	<b>13,384</b>

Significant Accounting Policies and Notes on Financial Statement 1 to 21

As per our Report of even date

For **A. M. Ghelani & Company**

Chartered Accountants

Firm Registration No.: 103173W

  
Chintan A. Ghelani  
Partner


Membership No.: 104391

Place:- Mumbai

Date :- 25th May, 2021



For and on behalf of the Board of Directors

  
Varun Parwal  
Director  
DIN No. 07586435

  
Pawan Kakumanu  
Director  
DIN No. 07584653



**Enhance Holdings Private Limited**

**Statement of Profit & Loss for the financial year ended on 31st March, 2021**

(Amount in Rs.)

Particulars	Notes No.	For the financial year ended 31 March, 2021	For the financial year ended 31 March, 2020
Income		-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Other Expenses	12	29,314	33,070
<b>Total Expenses</b>		<b>29,314</b>	<b>33,070</b>
<b>Profit/ (loss) before exceptional items and tax</b>		<b>(29,314)</b>	<b>(33,070)</b>
Exceptional items (Refer Note No.18)		-	3,91,45,715
<b>Profit/ (loss) before tax</b>		<b>(29,314)</b>	<b>(3,91,78,785)</b>
<b>Tax Expense:</b>			
Current Tax		-	-
<b>Profit/ (loss) for the year from continuing operations</b>		<b>(29,314)</b>	<b>(3,91,78,785)</b>
<b>Profit/ (loss) for the year</b>		<b>(29,314)</b>	<b>(3,91,78,785)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(29,314)</b>	<b>(3,91,78,785)</b>
<b>Earning per equity share (for continuing operations)</b>			
Basic EPS	19	<b>(2.93)</b>	<b>(3,917.88)</b>


Significant Accounting Policies and Notes on Financial Statements **1 to 21**  
As per our Report of even date

**For A. M. Ghelani & Company**  
Chartered Accountants  
Firm Registration No.: 103173W

  
**Chintan A. Ghelani**  
Partner  
Membership No.: 104391  
Place:- Mumbai  
Date :- 25th May, 2021



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






  
**Varun Parwal**  
Director  
DIN No. 07586435

  
**Pawan Kakumanu**  
Director  
DIN No.07584653



**Enhance Holdings Private Limited**  
**Cash Flow Statement For The Financial Year Ended 31st March, 2021**

( Amount In Rs.)

Particulars		For the financial year ended March 31,2021	For the financial year ended March 31,2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) before tax		(29,314)	(33,070)
Operating Cash Flow before working capital changes		(29,314)	(33,070)
<u>Adjustments for working capital changes:</u>			
Trade & Other Payables		17,750	21,490
Other Current Liabilities		11,328	360
Cash generated from Operations		(236)	(11,220)
Direct Taxes (Paid) / Refunded		-	-
Net Cash generated from / (used in) Operating Activities	A	(236)	(11,220)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net Cash generated from/(used in) Investing Activities	B	-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net Cash generated from/(used in) Financing Activities	C	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(236)</b>	<b>(11,220)</b>
Cash and Cash Equivalents at the beginning of the year		13,384	24,604
Cash and Cash Equivalents at the end of the year		13,148	13,384
<b>Cash And Cash Equivalents include:</b>			
1. Cash on hand		56	56
2. Balance with Bank		13,092	13,328
Cash and Cash Equivalents at the end of the year		13,148	13,384
Cash and cash equivalents [as per Notes "6"]			
As per our Report of even date			
For A. M. Ghelani & Company		For and on behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No.: 103173W			
  <b>Chintan A. Ghelani</b> Partner Membership No.: 104391 Place:- Mumbai Date :- 25th May, 2021		 <b>Varun Parwal</b> Director DIN No. 07586435	
		 <b>Pawan Kakumanu</b> Director DIN No.07584653	
			

**Enhance Holdings Private Limited**  
**Statement of Changes in Equity for the financial year ended 31st March, 2021**

		(Amount in Rs.)				
A	Equity share capital	Opening balance as at 1st April, 2019	Changes in equity share capital during the year	Closing balance as at 31st March, 2020	Changes in equity share capital during the year	Closing balance as at 31st March, 2021
	10,000 (P. Y. 10,000) Equity Shares of Rs.10/- each	1,00,000	-	1,00,000	-	1,00,000
		1,00,000	-	1,00,000	-	1,00,000

B	Other Equity	Reserves and Surplus	Total
		Retained Earning	
	Balance as on 1st April, 2019	(9,03,32,297)	(9,03,32,297)
	Profit/(Loss) For the Year	(3,91,78,785)	(3,91,78,785)
	Balance as at the end 31st March, 2020	(12,95,11,082)	(12,95,11,082)
	Profit/(Loss) For the Year	(29,314)	(29,314)
	Balance as at the end 31st March, 2021	(12,95,40,396)	(12,95,40,396)

For A. M. Ghelani & Company  
Chartered Accountants  
Firm Registration No.: 103173W

  
**Chintan A. Ghelani**  
Partner

Membership No.: 104391  
Place:- Mumbai  
Date :- 25th May, 2021



For and on behalf of the Board of Directors



**Varun Parwal**  
Director  
DIN No. 07586435

  
**Pawan Kakumanu**  
Director  
DIN No.07584653



**Enhance Holdings Private Limited**

**Notes to financial statements for the financial year ended 31st March, 2021**

Note No.	Particulars	As at 31st March, 2021	As at 31st March, 2020															
5	<b>Non Current Assets-Investments</b> <i>Non-Trade Investments (Fair Value through Other Comprehensive Income)</i> <i>Investment in Equity Shares (Unquoted)</i> [Equity Shares of Rs. 10/- each, fully paid up & percentage of holding] Equity Shares of Entertainment World Developers Limited 47,63,748 - 40.28% (P.Y. 47,63,748 - 40.28%) Less: Provision for diminution in value of investments (Refer Note No.18)	12,91,45,715     <u>(12,91,45,715)</u> <u>-</u>	12,91,45,715     <u>(12,91,45,715)</u> <u>-</u>															
6	<b>Cash &amp; Cash Equivalents</b> a. Balances with Banks In current accounts b. Cash on hand	   13,092 56 <u>13,148</u>	   13,328 56 <u>13,384</u>															
7	<b>Equity Share Capital</b> <b>Authorised</b> 20,00,000 (P.Y. 20,00,000) Equity Shares of Rs.10/- each  <b>Issued, subscribed and fully paid up</b> 10,000 (P.Y. 10,000) Equity Shares of Rs.10/- each	   2,00,00,000   1,00,000  <u>1,00,000</u>	   2,00,00,000   1,00,000  <u>1,00,000</u>															
	<b>a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year</b> Equity Shares Shares outstanding at the beginning the year Shares Issued during the year Shares bought back during the year Shares outstanding at the end of the year	   10,000 - - <u>10,000</u>	   10,000 - - <u>10,000</u>															
	<b>b) Shares held by holding company/ultimate holding company and /or their subsidiaries/associates</b> <b>Holding Company</b> The Phoenix Mills Limited 10,000 (P.Y. 10,000) Equity Shares of Rs.10/- each	    1,00,000	    1,00,000															
	<b>c) Details of shareholders holding more than 5% Shares in the company</b> <b>Equity Shares of Rs. 10 each fully paid</b>																	
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">March 31, 2021</th> <th colspan="2" style="text-align: center;">March 31, 2020</th> </tr> <tr> <th></th> <th style="text-align: center;">Number of shares</th> <th style="text-align: center;">% of Holding</th> <th style="text-align: center;">Number of shares</th> <th style="text-align: center;">% of Holding</th> </tr> </thead> <tbody> <tr> <td>The Phoenix Mills Limited - Holding Company</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">100</td> <td style="text-align: center;">10,000</td> <td style="text-align: center;">100</td> </tr> </tbody> </table>		March 31, 2021		March 31, 2020			Number of shares	% of Holding	Number of shares	% of Holding	The Phoenix Mills Limited - Holding Company	10,000	100	10,000	100	
	March 31, 2021		March 31, 2020															
	Number of shares	% of Holding	Number of shares	% of Holding														
The Phoenix Mills Limited - Holding Company	10,000	100	10,000	100														
	<b>b) The company has only one class of equity share having a face value of Rs. 10/- per share. Each holder of Equity share has entitled to one vote per share</b>																	
8	<b>Other Equity</b> <b>Retained Earnings :</b> As at the Beginning of the year (+) Net Profit/(Net Loss) For the year As at the end of the year	   12,95,11,082 (29,314) <u>12,95,40,396</u>	   (9,03,32,297) (3,91,78,785) <u>(12,95,11,082)</u>															
	<b>Nature and Purpose of Reserve</b> <b>Retained Earnings -</b> Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.																	
9	<b>Borrowings</b> <b>(Unsecured-Repayable on demand )</b> The Phoenix Mills Limited - Holding Company	   12,93,22,100 <u>12,93,22,100</u>	   12,93,22,100 <u>12,93,22,100</u>															

**Enhance Holdings Private Limited**  
**Notes to financial statements for the financial year ended 31st March, 2021**

Note No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
10	<b>Trade Payables</b>		
	Micro & Small Enterprises#	-	-
	Due to Others	78,731	60,981
		<u>78,731</u>	<u>60,981</u>
	<p># There are no Micro and Small Enterprises, to whom the company owes dues, for more than 45days during the year as at March 31,2021 and March 31, 2020. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.</p>		
	<p>The disclosure pursuant to the said Act is as under :</p>		
	a) Principal amount due to supplier under MSMED Act, 2006	-	-
	b) Interest Accrued and due on the above amount, unpaid	-	-
	c) Payment made beyond the appointed day during the year	-	-
	d) Interest paid	-	-
	e) Interest due and payable for the period of delay	-	-
	f) Interest remaining due and payable in succeeding year	-	-
		<u>-</u>	<u>-</u>
11	<b>Other Current Liabilities</b>		
	Provisions for Expenses	52,713	41,385
		<u>52,713</u>	<u>41,385</u>

**Enhance Holdings Private Limited**  
**Notes to Statement of Profit & Loss for the financial year ended 31st March, 2021**

(Amount in Rs.)

Notes	Particulars	For the financial year ended 31st March, 2021	For the financial year ended 31st March, 2020
12	<b>Other expense</b>		
	Filing Fees	-	10,438
	Bank Charges	236	472
	Professional Fees	17,750	8,000
	<b>Auditors' Remuneration:</b>		
	Audit Fees	11,328	14,160
		<b>29,314</b>	<b>33,070</b>



**Enhance Holdings Private Limited**  
**Notes on Financial Statements for year ended March 31, 2021**

**13 Fair Value of Financial assets and Liabilities:**

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
Investments ((Fair Value through Other Comprehensive Income)	-	-	-	-
Cash and Cash Equivalents (at amortised cost)	13,148	13,148	13,384	13,384
<b>Total</b>	<b>13,148</b>	<b>13,148</b>	<b>13,384</b>	<b>13,384</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings	12,93,22,100	12,93,22,100	12,93,22,100	12,93,22,100
Trade payables and others	78,731	78,731	60,981	60,981
<b>Total</b>	<b>12,94,00,831</b>	<b>12,94,00,831</b>	<b>12,93,83,081</b>	<b>12,93,83,081</b>

**Fair valuation techniques:**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

- Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of non-performance for the company is considered to be insignificant in valuation.

**14 Financial risk Management:**

The Company's financial liabilities comprise , trade payables and other payables. The main purpose of managing financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, that arise directly from its operations.

The Company is exposed to , credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management has established a risk management policy to identify an analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk managemnet policy is reviewed periodically to reflect changes in market conditions and the Company's activities. The Company's senior management reviews and agrees policies for managing each of these risks, which are summarised below.

● **Market risk:**

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

● **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. The Company is not exposed to interest rate risk as the Company does not have borrowings as at the respective reporting dates.

● **Credit Risk**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

Trade and other recivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers.

The Company is not exposed to credit risk as the Company does not have Trade & other Receivables as at the respective reporting dates.

Cash and cash equivalents

The Company is exposed to counter party risk relating to medium term deposits with banks. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is as follows:

	As at 31/03/2021	As at 31/03/2020
<u>Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):</u>		
Cash and cash equivalents	13,148	13,384

● **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current borrowings are sufficient to meet its short to medium term expansion needs. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company is required to maintain ratios (such as debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable to the extent of failure at the option of lenders, except where exemption is provided by lender.

Particulars	As at March 31, 2021					Total
	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	
Borrowings	12,93,22,100	12,93,22,100	-	-	-	12,93,22,100
Trade and other payables	78,731	78,731	-	-	-	78,731

Particulars	As at March 31, 2020					Total
	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	
Borrowings	12,93,22,100	12,93,22,100	-	-	-	12,93,22,100
Trade and other payables	60,981	60,981	-	-	-	60,981

**15 Capital management**

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2021 and March 31, 2020.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes and interest bearing loans and borrowings less cash and short term deposits.

Particulars	As At	As At
	31-03-2021	31-03-2020
Loans and Borrowings	-	-
Less: Cash and cash equivalents + Bank Deposits	13,148	13,384
Net Debt	(13,148)	(13,384)
Total Capital	(12,94,40,396)	(12,94,11,082)
Capital+Net Debt	(12,94,53,544)	(12,94,24,466)
Gearing Ratio	-	-

**Enhance Holdings Private Limited**  
**Notes on Financial Statements for year ended March 31, 2021**

**16 Related party Disclosure:**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

a) Related Party and relationships:

Sr. No.	Name of the party	Relationship
1	The Phoenix Mills Limited	Holding Company

b) Transactions taken place during the year, with related parties:-  
There are NIL transactions

c) Closing Balance as on March 31, 2021 :

Sr. No.	Particulars	(Amount In Rs.)	
		As at 31st March, 2021	As at 31st March, 2020
1	<b>Borrowings</b>		
	The Phoenix Mills Limited	12,93,22,100	12,93,22,100

**17 Segment reporting:**

The Company is mainly engaged in Business Support Services. Considering the nature of the company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard (IND AS)108 –'Segment

**18 Exceptional Item :**

The Investment of Rs. 12,91,45,715/- in the equity shares of Entertainment World Developers Limited (EWDL) considered as strategic and long term in nature, the Company had already created a provision of Rs. 9,00,00,000/- in FY 2015-16 against the diminution in the value thereof. The Company has, out of abundant caution and prudence, in line with the standard accounting practices, decided to further provide for the balance Rs. 3,91,45,715/- in the financial year 2019-20, thereby fully providing for the diminution of the said Investments.


**19 Earning per share:**

Particulars	2020-21	2019-20
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(29,314)	(3,91,78,785)
Weighted Average number of equity shares used as denominator for calculating EPS	10,000	10,000
Face value per equity share (Rs.)	10	10
Basic Earning per share (Rs.)	(2.93)	(3,917.88)

20 Trade Receivables and Trade Payables are subject to confirmation and reconciliations/adjustments arising there from, if any. The same is not expected to have any material impact on the financial statements. as per the management.

21 The previous year figures have been regrouped, reworked, rearranged and reclassified, whenever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

For A. M. Ghelani & Company  
Chartered Accountants  
Firm Registration No.: 103173W

  
Chintan A. Ghelani  
Partner  
Membership No.: 104391  
Place:- Mumbai  
Date :- 25th May, 2021



For and on behalf of the Board of Directors

  
Varun Parwal  
Director  
DIN No. 07586435

  
Pawan Kakumanu  
Director  
DIN No.07584653

