

## **Accedere Ltd**

### **Accompanying notes to the financial statements for the year ended 31<sup>st</sup> March, 2022**

#### **Note No.1.**

##### **1. SIGNIFICANT ACCOUNTING POLICIES**

###### **(i) Basis of Preparation of financial statements:**

These Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules as amended from time to time.

The statement of cash flows have been prepared under indirect method.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

###### **(ii) Basis of Measurement**

These Standalone financial statements are prepared under the historical cost convention unless otherwise indicated.

###### **(iii) Key estimates and assumptions**

The preparation of Standalone financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Information about judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which component of the cost may be capitalized - Note 1(v)
- Recognition of deferred tax assets - Note 1(xii)
- Measurement of Provisions and contingencies - Note 1(xiv)

###### **(iv) Estimation of uncertainties relating to the global health pandemic from COVID-19-**

The COVID-19 outbreak has developed rapidly in India and across the globe. Measures taken by the Government to contain the virus, like lock-downs and other measures, have affected economic activity and caused disruption to regular business operations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of all assets and liabilities including receivables, investments and loans given. While the Management has evaluated and considered the possible impact of COVID-19 pandemic on the financial statements, given the uncertainties around its impact on future economic activity, the impact of the subsequent events is dependent on the circumstances as they evolve.

(v) **Property, plant and equipment (PPE).**

PPE are initially recognized at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. PPE are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is provided on pro-rata basis on Written Down Value method based on the useful life prescribed in the Schedule II of the Companies Act, 2013.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in financial statements

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Plant and equipment	8 years
Furniture and fixtures	10 Years
Vehicle	8 years
Office Equipment	5 Years
Computer and data processing Unit	3 Years
Electricals Instrument and Equipment	10 Years

(vi) **Investments in subsidiaries**

Investments in Subsidiaries, Associates and Joint Ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(vii) **Non – derivative Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability

(viii) **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage

(ix) **Financial liabilities**

Financial liabilities are measured at amortized cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognized by the Company are measured at the proceeds received net off direct issue cost.

**Off-setting of financial instruments**

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(x) **Revenue recognition**

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

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

Dividend income is recognized when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably.

(xi) **Employee benefits**

**Short-Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

(xii) **Taxes on Income**

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

**Current tax**

Current tax, if any, comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

**Deferred Tax**

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority

(xiii) **Foreign Exchange Transaction: -**

Transactions entered into and concluded during the year in foreign currency, if any, are recorded at the actual exchange rates prevailing at the time of conclusion of transactions. In respect of transaction covered by forward exchange contracts, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expenses over the life of the contracts. Outstanding assets and liabilities at the year-end are converted into Indian rupees as per FEDAI rate of exchange prevalent on the said date. Exchange rate Difference arising out of subsequent settlements is dealt in the Profit & Loss Accounts.

(xiv) **Accounting for provisions, contingent liabilities and contingent assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable

(xv) **Earnings per share**

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the year presented.