

GOODWINGS MARITIME PRIVATE LIMITED

**Notes Annexed to and Forming Part of the Balance Sheet as at March 31, 2020
and Profit and Loss Account for the year ended March 31, 2020**

Note 1: Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the historical cost convention under accrual basis of accounting as per generally accepted accounting principles in India ("GAAP"). Accounts and Disclosures thereon comply with the Accounting Standards specified in Companies (Accounting Standard) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

2. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialize.

3. Revenue Recognition

- 3.1. Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.
Revenue from services is recognized pro-rata over the period of the contract as and when services are rendered.
Revenue from contracts, which are generally time bound fixed price contracts, are recognized over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognized when probable.



- 3.2. "Licence and similar revenue where the amount is identifiable for subsequent servicing, that amount is deferred and recognised as revenue over the period during which the service is performed , with an adjustment to defer revenue for services that have not been performed."

4. Property, Plant and Equipment

- 4.1 Property, plant and equipment are carried at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any cost directly attributable to bring the asset to its present condition for its intended use.
- 4.2 Expenditure on replacement of assets, equipment, instruments and rehabilitation works is capitalized if, in the opinion of the management, it results in enhancement of revenue generating capacity.
- 4.3 Depreciation on property, plant and equipment has been provided on SLM method on pro rata basis over the useful life prescribed in schedule II to the Companies Act, 2013 and salvage value is considered NIL. The Company has considered useful life of assets same as prescribed under the Companies Act, 2013.
- 4.4 Software, bundled with computer at the time of a fresh purchase with no license period limitations, is depreciated as part of computer equipment. Software bought separately is capitalized and amortized over a period of five years or period of license, as applicable.
- 4.5 Leasehold Improvements are being amortized over the period of lease.
- 4.6 Depreciation has been provided for full month irrespective of the number of days used in such month.
- 4.7 All fixed assets costing less than Rs. 5,000 per item are depreciated fully in the year of acquisition.

5. Foreign Currency Transactions

- 5.1. Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction i.e. on the date of payment or receipt as the case may be.
- 5.2. All foreign currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of balance sheet and the difference taken to profit and loss accounts as exchange fluctuation loss or gain.

6. Employees' benefits



6.1. Defined contribution plan:

6.1.1. Employees' Provident Fund

No employees of the company are entitled to receive benefits under the provident fund.

6.2. Defined benefit plans:

6.2.1. Leave Encashment:

Compensated absences (leave encashment) liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the balance sheet date.

Actuarial gains / losses are immediately taken to Profit & Loss Account and are not deferred.

6.2.2. Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the balance sheet date.

Actuarial gains / losses are immediately taken to Profit & Loss Account and are not deferred.

7. Taxes on income

Taxes on income for the current period are determined on the basis of taxable income and tax Credits computed in accordance with the provisions of the income tax act, 1961. In accordance with the AS-22, deferred tax liability is recognized on the timing differences between accounting income and the taxable income for the period taking into consideration the contents of accounting standard interpretations 3 and quantified using the tax rates in force or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward to the extent there is a virtual certainty that such deferred tax assets can be realized.

8. Earnings per share

Earnings per share ("EPS") comprise the net profit after tax (excluding extraordinary income net of tax). The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the year.

9. Leases

Lease rentals in respect of assets that are in the nature of operating leases are expensed in the statement of profit and loss with reference to lease terms.

10. Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less



than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

11. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) 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 each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

Note 34: Other Notes

a) Figures of the previous year have been regrouped/ rearranged, to the extent possible, wherever considered necessary to make them comparable with the current year figures.

b) Amount due to Micro, Small and Medium Enterprises:

Nil dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the management and is in the process of further identifying the Micro, small & medium scale industrial undertakings.

As per our attached report of even date For and on behalf of the Board of
For A.J.M.D. & Co. **GOODWINGS MARITIME PRIVATE LIMITED**

Chartered Accountants,



Manoj Dudeja

Partner

Membership No.: 514885

AWADHENDRA KUMAR

Director

Din No 06766745

RENOO DEVI

Director

Din No. :06766749

Place: New Delhi

Dated: 6th Dec, 2020