



NAVEEN ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF M/S TROOSOL ENTERPRISES PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Troosol Enterprises Private Limited, which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (*changes in equity*) and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

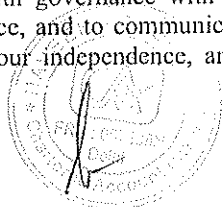
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

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



communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

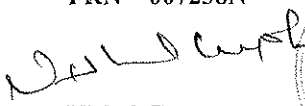
As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive incomes, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its Ind AS financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 16.06.2020
Place: Noida(U.P.)
UDIN: 0524194AAAADE6949

For Naveen Associates
Chartered Accountants
FRN - 007238N


Vishal Gupta
Partner
M.No. 524194



ANNEXURE A CONTAINING REPORT ON
MATTERS REQUIRED BY CARO, 2020

Re: TROOSOL ENTERPRISES PRIVATE LIMITED

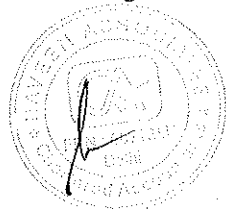
(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Referred to in paragraph 5 of our report of even date

- i) In respect of its fixed assets:
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As informed to us, fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - c) There is no title deeds of immovable properties are held in the name of the company
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) According to the information and explanation given to us, the company has made/ taken loans to the parties covered in the Register maintained under section 189 of the Act. The terms & Conditions of the grant of such loans are not prejudicial to the company's interest and the receipt of principal amount and interest are also regular.
- iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186, wherever applicable, in respect of loans, investments and guarantees given by the company.
- v) In our opinion and according to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi) In respect of business activities of the company maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 of the Companies Act
- vii) a) According to the records of the company, the company is regular in depositing with the appropriate authorities 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 applicable to it.
b) According to the information and explanations given to us, No disputed statutory dues payable in respect of income-tax, sales-tax, wealth tax, duty of excise and value added tax were outstanding, as at 31st March 2020 for a period of more than six months from the date they became payable.
- d) According to the information and explanation given to us, there are no disputes of income tax, sales tax outstanding on account of any dispute.



- viii) In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x) According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The company is a private limited company. Hence the provisions of clause xi) of the order are not applicable to the company.
- xii) The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. 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 debentures during the year under review.
- xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 16.06.2020
Place: Noida(U.P.)
UDIN: 0524194AAAAD6949



For Naveen Associates
Chartered Accountants
FRN - 007238N

Vishal Gupta
Partner
M.No. 524194

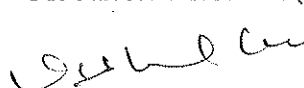
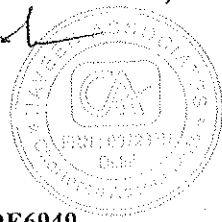
Troosol Enterprises Private Limited

Balance sheet as at 31-March-2020


	Notes	As at 31-Mar-20 INR	As at 31-Mar-19 INR
Assets			
Non-current assets			
Property, plant and equipment	3	321,032	299,120
Capital Work in Progress		20,357,664	10,032,181
Deferred tax assets	4	350,294	269,696
		<u>21,028,990</u>	<u>10,600,997</u>
Current assets			
Inventories	5	-	-
Financial assets	6		
Trade receivables	6 (a)	-	-
Cash and cash equivalents	6 (b)	520,200	761,444
	6 (c)	-	-
Bank balances other than cash and cash equivalents			
Other financial assets	6 (d)	204,000	204,000
Other current assets	7	878,857	683,455
		<u>1,603,057</u>	<u>1,648,899</u>
Total assets		<u>22,632,046</u>	<u>12,249,896</u>
Equity and liabilities			
Equity			
Equity share capital	8	100,000	100,000
Other equity		(2,498,155)	(2,268,760)
Total equity		<u>(2,398,155)</u>	<u>(2,168,760)</u>
Current liabilities			
Financial liabilities	9		
Borrowings	9 (a)	23,940,827	13,240,827
Trade payables	9 (b)	121,241	112,086
Other financial liabilities	9 (c)	784,092	1,003,330
Other current liabilities	10	184,041	62,413
		<u>25,030,201</u>	<u>14,418,656</u>
Total liabilities		<u>25,030,201</u>	<u>14,418,656</u>
Total equity and liabilities		<u>22,632,046</u>	<u>12,249,896</u>

"Signed in terms of our Report of Even Date Attached"
For Naveen Associates (FRN: 007238N)

For Troosol Enterprises Private Limited



Vishal Gupta
Partner
M.No. 524194
UDIN: 20524194AAAADE6949
Date : 16-06-2020
Place : Noida (U.P.)


Sanjay Kumar
DIN:- 07382606
Director

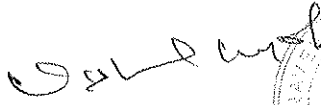


Amitesh Kumar
DIN:- 07352553
Director

Troosol Enterprises Private Limited

Statement of profit and loss for the year ended 31-March-2020

	Notes	31-Mar-20 INR	31-Mar-19 INR
Continuing operations			
Income			
Revenue from operations	11	-	13,185
Other income	12	8,878	11,112
		<u>8,878</u>	<u>24,297</u>
Expenses			
Employee benefits expense	13	-	-
Depreciation and amortization expense	3	142,461	134,227
Other expenses	14	176,410	716,847
Total expenses		<u>318,871</u>	<u>851,074</u>
Profit/(loss) before tax		(309,993)	(826,777)
Tax expense:			
Defered tax credit	6	(80,598)	-262,679
		<u>(80,598)</u>	<u>-262,679</u>
Profit for the year		(229,395)	(564,098)
Total comprehensive income for the year		(229,395)	(564,098)
Earnings per share			
Basic and diluted earnings per share	15	-22.94	-56.41


"Signed in terms of our Report of Even Date Attached"
For Naveen Associates (FRN: 007238N)

Vishal Gupta
Partner
M.No. 524194
UDIN: 20524194AAAADE6949
Date : 16-06-2020
Place : Noida (U.P.)

For Troosol Enterprises Private Limited



Sanjay Kumar
DIN:- 07352606
Director


Amitesh Kumar
DIN:- 07352553
Director


Troosol Enterprises Private Limited
Statement of cash flows for the year ended 31-March-2020


Notes	31-Mar-20	31-Mar-19
	INR	INR
Operating activities		
Profit before tax	(309,993)	(826,777)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	142,461	134,227
Finance income	-	-
	<u>(167,532)</u>	<u>(692,550)</u>
<i>Working capital adjustments:</i>		
(Increase)/decrease in trade and other receivables	(195,403)	(413,664)
(Increase)/decrease in inventories	-	-
Increase/(decrease) in trade and other payables	(88,455)	1,127,092
	<u>(451,390)</u>	<u>20,878</u>
Income tax paid	-	-
Net cash flow from operating activities	<u>(451,390)</u>	<u>20,878</u>
Investing activities		
Proceeds from sale of property, plant and equipment	(164,373)	(123,001)
Purchase of fixed assets including CWIP and capital advances	(10,325,483)	(5,751,849)
Proceeds from / (Investments in) fixed deposits with original maturities more than 3 months	-	-
Interest received (finance income)	-	-
Net cash flows used in investing activities	<u>(10,489,856)</u>	<u>(5,874,850)</u>
Financing activities		
(Repayment) of short-term borrowings (net)	10,700,000	6,577,500
Proceeds from issue of share capital	-	-
Net cash flows from/(used in) financing activities	<u>10,700,000</u>	<u>6,577,500</u>
Net increase in cash and cash equivalents	<u>(241,246)</u>	<u>723,528</u>
Cash and cash equivalents at the beginning of the year	761,444	37,916
Cash and cash equivalents at year end	<u>520,199</u>	<u>761,444</u>
Components of cash and cash equivalents		
Balances with banks in current accounts	517,542	756,868
Cash on hand	2,658	4,576
	<u>520,200</u>	<u>761,444</u>

"Signed in terms of our Report of Even Date Attached"
For Naveen Associates (FRN: 007238N)


Vishal Gupta
Partner
M.No. 524194
UDIN: 20524194AAAADE6949
Date : 16-06-2020
Place : Noida (U.P.)

For Troosol Enterprises Private Limited


Sanjay Kumar
DIN:- 07352606
Director


Amitesh Kumar
DIN:- 07352553
Director

Treosol Enterprises Private Limited

Statement of changes in equity for the year ended 31-March-2020

a. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

	No.	INR
At 1 April 2017	"	"
Issue of share capital	10,000	100,000
At 31 March 2018	10,000	100,000
Issue of share capital	"	"
At 31 March 2019	10,000	100,000

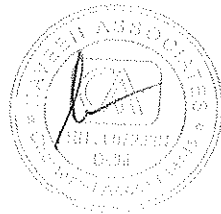
b. Other Equity

For the year ended 31 March 2019

	Retained earnings	
	31-Mar-20	31-Mar-19
At beginning	(2,268,760)	(1,704,662)
Profit for the year	(229,395)	(564,098)
Other comprehensive income	-	-
Total comprehensive income	(229,395)	(564,098)
Other Equity at the end	(2,498,155)	(2,268,760)

Sanjay F

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Notes to the Financial Statements

1. Corporate Information

Troosol Enterprises Pvt. Ltd. ("the Company") is a private company incorporated on 08/01/2016; The company is engaged mainly in the business of online booking of hotels room.

2. Significant Accounting Policies

2.1 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules 2015, read with Section 133 of Companies Act 2013.

For all periods, up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with the Companies (Accounts) Rules 2014, read with Section 133 of Companies Act, 2013 (Previous GAAP). These financial statements, for the year ended 31 March 2019, are the first the Company has prepared in accordance with Ind AS. The transition from Previous GAAP to the Ind AS has been done in accordance Ind AS 101, First Time Adoption of Indian Accounting Standards. Refer Note No 2.3 for information on how the Company has adopted Ind AS.

These financial statements have been prepared on a historical cost basis. These financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest rupees, except when otherwise indicated.

These financial statements are authorized for issue in accordance with a resolution of the directors on 16th June, 2020.

2.2 Summary of Significant Accounting Policies

2.2.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS recognition and measurement principles and, in particular, making the critical accounting judgments require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances or obtaining new information or more experience may result in revised estimates, and actual results could differ from those estimates.

2.2.2 Classification of Assets and Liabilities as Current or Non-Current

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position on the basis of realization of assets.

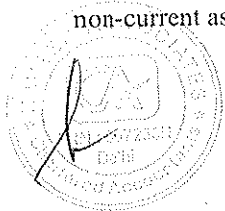
An asset is classified as current when it is:

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

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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



A handwritten signature in black ink, appearing to be "Sangeeta".

A handwritten signature in black ink, appearing to be "A. K. Singh".

2.2.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

The Company derives revenues primarily from sale of mobile handsets and accessories.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

Interest Income

For all financial assets measured at amortized cost interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Others

Other incomes are recognized on accrual basis.

2.2.4 Property, Plant and Equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes all related costs directly attributable to the acquisition or construction of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Except for land, property, plant and equipment is depreciated using the straight-line method over the useful lives of the related assets as presented in Schedule 2 of Companies Act, 2013.

Major improvements, which add to productive capacity or extend the life of an asset, are capitalized, while repairs and maintenance are expensed as incurred. Where a property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items. The depreciation expense is recognized in the statement of profit or loss in the expense category consistent with the function of the property, plant and equipment.

Property, plant and equipment under construction is recorded as capital work-in-progress until it is ready for its intended use; thereafter it is transferred to the related class of property, plant and equipment and depreciated over its estimated useful life. Interest incurred during construction is capitalized if the borrowing cost is directly attributable to the construction.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to property, plant and equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.



Signature

Signature

2.2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the statement of profit or loss when it is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

2.2.6 Impairment of Assets

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 (CGU)'s 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 group 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 value in use, the estimated future cash flows are discounted to their present value using a 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

2.2.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, fair value through OCI or at amortized cost as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Company has the following financial assets in its statement of financial position

- Investments
- Cash
- Bank Balances
- Trade Receivables
- Loans

