

EVERSPARK HONG KONG PRIVATE LIMITED

FINANCIAL STATEMENTS AS OF 31ST MARCH, 2023

TOGETHER WITH DIRECTORS' AND AUDITOR'S REPORT

RICHARD ALBUQUERQUE & CO.

CERTIFIED PUBLIC ACCOUNTANTS

Everspark Hong Kong Private Limited

Corporate data

Directors

Bibhu Ranjan Saha
Indranil Roy Chowdhury

Company secretary

RJA Management Limited

Registered office

Rooms A & B, 2/F.,
Lee Kee Commercial Building,
221-227 Queen's Road Central,
Hong Kong

Auditor

Richard Albuquerque & Co.
Certified Public Accountants
Rooms A & B, 2/F.,
Lee Kee Commercial Building,
221-227 Queen's Road Central,
Hong Kong

Everspark Hong Kong Private Limited

Report of the directors

The directors present to the shareholder their annual report and the audited financial statements for the year ended March 31, 2023.

Directors

The names of persons who were the directors of the Company during the year and up to the date of this report are as set out on page 1.

Principal activities

The Company engages in raw material trading on behalf of the holding company during the year.

Permitted indemnity provision

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of the directors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Company.

Management contract

The Company did not enter into any contract, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

Business review

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

Share capital

Details of the movement in the Company's share capital during the year are set out in note 9 to the financial statements.

Debenture issued

The Company issued no debenture during the year.

Equity-linked arrangements

During the financial year, the Company entered into no equity-linked agreement.

At the end of the financial year, the Company subsisted of no equity-linked agreement.

Recommended dividend

The directors do not recommend the payment of dividend for the financial year.

Approval of directors' report

This report was approved by the directors on - 8 MAY 2023 .

On behalf of the Board



Bibhu Ranjan Saha
Chairman

INDEPENDENT AUDITOR'S REPORT

To the members of Everspark Hong Kong Private Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Everspark Hong Kong Private Limited (the Company) set out on pages 6 to 16, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (HKSAs) issued by the HKICPA. 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 HKICPA's *Code of Ethics for Professional Accountants* (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the members of Everspark Hong Kong Private Limited (continued)
(Incorporated in Hong Kong with limited liability)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 HKSA's 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 HKSA's, we exercise professional judgment and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.

INDEPENDENT AUDITOR'S REPORT

To the members of Everspark Hong Kong Private Limited (continued)
(Incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

Richard Albuquerque & Co.

Richard Albuquerque & Co.
Certified Public Accountants
Rooms A & B, 2/F., Lee Kee Commercial Building
221-227 Queen's Road Central
Hong Kong

Hong Kong: - 8 MAY 2023

Everspark Hong Kong Private Limited

Statement of comprehensive income

For the year ended March 31, 2023

	<u>Notes</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
Turnover	4	4,412,009	5,324,596
Cost of goods sold		<u>(4,412,009)</u>	<u>(5,324,596)</u>
Gross profit		-	-
Other revenue	4	51,342	60,493
Administrative expenses		(51,342)	(55,325)
Finance costs		<u>-</u>	<u>-</u>
Profit before taxation	5	-	5,168
Income tax income	6	<u>-</u>	<u>25,492</u>
Profit for the year		-	30,660
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive profit for the year		<u><u>-</u></u>	<u><u>30,660</u></u>

The annexed notes form an integral part of these financial statements.

Everspark Hong Kong Private Limited

Statement of financial position

As at March 31, 2023

	Notes	<u>2023</u> HK\$	<u>2022</u> HK\$
Assets			
<i>Current assets</i>			
Amount due from a holding company	7	4,430,194	5,385,801
Prepayment		9,750	11,810
Prepaid tax		452	452
Cash at bank		840,438	1,105,266
Total assets		<u>5,280,834</u>	<u>6,503,329</u>
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	8	3,266,604	3,266,604
Accumulated profits		1,987,630	1,987,630
Total equity		<u>5,254,234</u>	<u>5,254,234</u>
<i>Current liabilities</i>			
Accounts payable		-	1,206,995
Accrued charges		26,600	42,100
Total liabilities		<u>26,600</u>	<u>1,249,095</u>
Total equity and liabilities		<u>5,280,834</u>	<u>6,503,329</u>

The financial statements on pages 6 to 16 were approved and authorized for issue by the board of directors on

- 8 MAY 2023 and are signed on its behalf by:



Indranil Roy Chowdhury
Director



Bibhu Ranjan Saha
Director

The annexed notes form an integral part of these financial statements.

Everspark Hong Kong Private Limited

Statement of changes in equity

For the year ended March 31, 2023

	Share capital HK\$	Accumulated profits HK\$	Total HK\$
Balance at April 01, 2021	3,266,604	1,956,970	5,223,574
Total comprehensive profit for the year	-	30,660	30,660
Balance at March 31, 2022	3,266,604	1,987,630	5,254,234
Total comprehensive profit for the year	-	-	-
Balance at March 31, 2023	3,266,604	1,987,630	5,254,234

The annexed notes form an integral part of these financial statements.

Everspark Hong Kong Private Limited

Statement of cash flows

For the year ended March 31, 2023

	<u>2023</u> HK\$	<u>2022</u> HK\$
Operating activities		
Profit before taxation	-	5,168
Net tax paid	-	(140,588)
	-	(135,420)
Adjustments for:-		
Decrease/ (Increase) in Amount due from a holding company	955,607	(87,590)
Decrease/ (Increase) in Prepayment	2,060	(2,987)
Decrease in Accounts payable	(1,206,995)	(1,019,110)
Decrease in Accrued charges	(15,500)	(3,536)
Net cash used in from operating activities	(264,828)	(1,248,643)
Investing activities		
Net cash generated from investing activities	-	-
Financing activities		
Decrease in Trust receipts	-	-
Net cash outflow from financing activities	-	-
Net decrease in cash and cash equivalents	(264,828)	(1,248,643)
Cash and cash equivalents at beginning of the year	1,105,266	2,353,909
Cash and cash equivalents at end of the year	840,438	1,105,266
Analysis of cash and cash equivalents		
Cash at bank	840,438	1,105,266

The annexed notes form an integral part of these financial statements.

Notes to the financial statements

For the year ended March 31, 2023

1) *General*

a) *Definition*

In these reporting documents, the following terms shall have the following meanings:

The Company	Everspark Hong Kong Private Limited
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622) which came into operation on March 3, 2014
HKICPA	Hong Kong Institute of Certified Public Accountants
HKFRS	Hong Kong Financial Reporting Standard issued by HKICPA
HKFRS for Private Entities	Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants
SME-FRS	Small and Medium-sized Entity Financial Reporting Standard

b) *Corporate information*

Everspark Hong Kong Private Limited is a private company incorporated in Hong Kong under the Predecessor Companies Ordinance with limited liability. At the date of issue of these financial statements, the registered office of the Company is disclosed in the "Corporate data" section to this annual report. The Company engages in raw material trading on behalf of the holding company during the year.

c) *Ultimate holding company*

The directors consider that the ultimate holding company is Eveready Industries India Limited, a company incorporated in India.

d) *Reporting currency*

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars.

2) *Basis of preparation*

a) *Statement of compliance*

These financial statements comply with all applicable sections of HKFRS for Private Entities and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

b) *Basis of measurement*

The measurement bases used in preparing these financial statements are set out in note 3 to financial statements.

Notes to the financial statements (continued)

For the year ended March 31, 2023

2) Basis of preparation (continued)

c) Critical accounting judgments and key sources of estimation uncertainty

The Company's management makes assumptions, estimates and judgments in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRS for Private Entities. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Assumption and estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out as follows:

i) Estimated allowance for doubtful debts

The Company makes allowance for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires the use of judgment and estimates. Where the expectation on the recoverability of trade and other receivables is different from the original estimate, such difference will impact carrying value of trade and other receivable and doubtful debt expenses in the years in which such estimate has been changed.

3) Summary of significant accounting policies

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

a) Revenue recognition

On the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

Sundry income is recognized on an accrual basis.

b) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxation profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Notes to the financial statements (continued)

For the year ended March 31, 2023

3) Summary of significant accounting policies(continued)

b) Taxation (continued)

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in other comprehensive income.

c) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- I) A person or a close member of that person's family is related to the Company if that person:
 - (i) is a member of the key management personnel of the Company or of a parent of the Company;
 - (ii) has control over the Company; or
 - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- II) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) either entity is an associate or joint venture of the other entity (or of a member of a company of which the other entity is a member);
 - (iii) both entities are joint ventures of a third entity;
 - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (I);
 - (vii) a person identified in (I) (i) has significant voting power in the entity.

Notes to the financial statements (continued)

For the year ended March 31, 2023

3) Summary of significant accounting policies (continued)

d) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when there is a legal or benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

e) Foreign currency transactions

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Hong Kong dollars, which is the Company's functional presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other revenue" or "administrative and operating expenses".

f) Share capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

g) Trade and other receivable

Accounts receivable are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Notes to the financial statements (continued)

For the year ended March 31, 2023

3) Summary of significant accounting policies (continued)

h) Trade and other payable

Accounts payable are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

j) Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Interest expenses is recognised on the basis of the effective interest method and is included in finance costs.

k) Impairment of assets

Internal and external sources of information are reviewed at each reporting date to identify indications that the tangible assets may be impaired or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognized.

4) Turnover and other revenue

Turnover represents gross invoiced value of goods sold less discounts and returns during the year. An analysis of turnover and other revenue is as follows:-

	2023	2022
	HK\$	HK\$
Turnover		
- Sales	4,412,009	5,324,596
Other revenue		
- Exchange gain	43	13,449
- Sundry income	51,299	47,044
	51,342	60,493
Total revenue recognized during the year	4,463,351	5,385,089

Everspark Hong Kong Private Limited

Notes to the financial statements (continued)

For the year ended March 31, 2023

5) Profit before taxation

Profit before taxation is arrived at after charging the following:-

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Cost of goods sold	4,412,009	5,324,596
Audit fee	<u>23,500</u>	<u>23,500</u>

6) Income tax income

Taxation in the statement of comprehensive income represents provision for Hong Kong Profits Tax calculated at 8.25% for the first HK\$ 2,000,000 and 16.5% thereafter (2022: 8.25%) of the estimated assessable profits for the year.

Reconciliation between tax expense and accounting profit at applicable tax rate:

	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
Profit before tax	-	5,168
Less: Benefit arising from previously unrecognized tax loss	<u>-</u>	<u>-</u>
	-	5,168
Notional tax on profit before tax calculated @ 8.25%	-	426
Tax effect of non-deductible expenses	-	-
Tax effect of non-assessable income	-	-
Timing difference not recognised	-	-
Tax concession	<u>-</u>	<u>(426)</u>
Actual income tax expenses	-	-
Over provision in prior years	<u>-</u>	<u>25,492</u>
	<u>-</u>	<u>25,492</u>

No provision has been made for deferred taxation as the Company does not have material deductible or taxable temporary differences.

Everspark Hong Kong Private Limited

Notes to the financial statements (continued)

For the year ended March 31, 2023

7) Amount due from a holding company

Amount due from a holding company pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

<u>Name of holding company</u>	<u>Dr. / (Cr.) Balance at 31/3/2023</u> HK\$	<u>Dr. / (Cr.) Balance at 31/3/2022</u> HK\$	<u>Maximum debit balance outstanding during the year</u> HK\$
Eveready Industries India Limited, India	<u>4,430,194</u>	<u>5,385,801</u>	<u>5,385,801</u>

The amount due is unsecured, non-interest bearing and without fixed terms of repayment.

8) Share capital

	<u>2023</u> HK\$	<u>2022</u> HK\$
Issued and fully paid: 3,266,604 ordinary shares	<u>3,266,604</u>	<u>3,266,604</u>

9) Related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the company had the following transactions with a holding company:

<u>Name of the related party</u>	<u>Nature of transactions</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
Eveready Industries India Limited	Sales	<u>(4,412,009)</u>	<u>(5,324,596)</u>
	Sundry income	<u>(51,299)</u>	<u>(47,044)</u>

10) Directors' remuneration

There was no director's remuneration paid and payable disclosed pursuant to section 383(1) to the Hong Kong Companies Ordinance (Cap.622) (2022: Nil).

Everspark Hong Kong Private Limited

Detailed profit and loss statement

For the year ended March 31, 2023

		For information of management only	
		<u>2023</u>	<u>2022</u>
		HK\$	HK\$
Turnover			
Sales		4,412,009	5,324,596
Cost of goods sold			
Purchases		4,412,009	5,324,596
		<u>4,412,009</u>	<u>5,324,596</u>
Gross profit		<u>-</u>	<u>-</u>
Other revenue			
Exchange gain		43	13,449
Sundry income		51,299	47,044
		<u>51,342</u>	<u>60,493</u>
Administrative expenses			
Audit fee		23,500	23,500
Bank charges		11,083	16,248
Business registration fee		1,229	1,874
Professional fees		12,423	12,457
Sundry expenses		3,107	1,246
		<u>51,342</u>	<u>55,325</u>
Profit before taxation		<u>-</u>	<u>5,168</u>