

K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

904 9th.Floor,Chiranjiv Tower,
43 Nehru Place, New Delhi-110019
Phone: + 91-11-41608133, 41630957
E .mail: rcm_kcmalhotra@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Isgec Covema Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Isgec Covema Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a Summary of Material 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Act 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 audit opinion on the Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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.

Responsibility of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Statement of Other Comprehensive Income, 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to 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 II' Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;
- (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, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- e. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For K.C.Malhotra & Co.
Chartered Accountants
ICAI Firm Registration Number.000057N


Ramesh Malhotra
Partner
Membership Number: 013624
UDIN: 24013624BKGVMC3086
Place of Signature: New Delhi
Date: May 13, 2024



ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR AUDIT REPORT OF EVEN DATE

Re: Isgec Covema Limited) ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company does not have any property, plant and equipment as at March 31, 2024 and, accordingly, the requirements to report on clause 3(i) (a),(b),(c), (d) and (e) of the order is not applicable to the Company
- (ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii)(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and services tax, cess and other statutory dues applicable to it. The provisions related to provident fund, employees' state insurance, sales tax, duty of excise, duty of customs, and value added taxes are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.



- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (ix)(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix)(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud/material fraud by the Company or no fraud/material fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



K.C. MALHOTRA & CO.

- (xii) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to Section 177 of the Act is not applicable to the Company.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and (b) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvi)(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses of Rs 190.65 in thousand in the current financial year and Rs.127.08 in thousand in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 27 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date



of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company and hence, the requirement to report on clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

For K. C. Malhotra & Co.

Chartered Accountants

ICAI Firm Registration Number: 000057N


Ramesh Malhotra

Partner

Membership Number: 013624

UDIN: 24013624BKGVMC3086

Place of Signature: New Delhi

Date: May 13, 2024



ANNEXURE II REFERRED TO IN PARAGRAPH 2(g) UNDER THE HEADING OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR AUDIT REPORT OF EVEN DATE

Re: Isgec Covema Limited) (‘the Company’)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Isgec Covema limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2024

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 the 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.

Auditor’s 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 as specified 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 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 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



K.C. MALHOTRA & CO.

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.

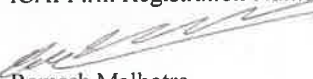
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2024, 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 K. C. Malhotra & Co
Chartered Accountants
ICAI Firm Registration Number 000057N


Ramesh Malhotra
Partner
Membership No: 013624
UDIN: 24013624BKGVMC3086
Place of signature: New Delhi
Date: May 13, 2024



Isgec Covema Limited
CIN: U52109DL1986PLC025908
Balance Sheet as at 31st. March, 2024

(IN INR K)

| | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non - current assets | | | |
| (a) Property, plant and equipment | | | |
| (b) Financial assets | | | |
| Others | 3 | 33.05 | 33.05 |
| (c) Deferred tax assets (net) | 4 | 20.10 | - |
| (d) Other non - current assets | 5 | 807.16 | 1,723.32 |
| Total non-current assets | | 860.31 | 1,756.37 |
| Current assets | | | |
| (a) Inventories | | - | - |
| (b) Financial assets | | | |
| (i) Trade receivables | 6 | 40,342.60 | 45,272.90 |
| (ii) Cash and cash equivalents | 7 | 679.89 | 5,410.52 |
| (iii) Other bank balances | 7 | 54,751.76 | 43,017.10 |
| (iv) Others | 8 | 881.24 | 638.91 |
| (c) Current tax assets (net) | 9 | 514.92 | - |
| (d) Other current assets | 10 | 19,769.87 | 19,778.64 |
| Total current assets | | 1,16,940.28 | 1,14,118.07 |
| Total assets | | 1,17,800.59 | 1,15,874.44 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity share capital | 11 | 20,000.00 | 20,000.00 |
| (b) Other equity | 12 | 53,207.16 | 53,064.75 |
| Total equity | | 73,207.16 | 73,064.75 |
| LIABILITIES | | | |
| Non - current liabilities | | | |
| Provisions | 15 | - | - |
| Total non-current liabilities | | - | - |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12A | - | 361.26 |
| (ii) Trade payables | 13 | | |
| ii)(a) Total outstanding dues to micro enterprises and small enterprises | | 2,239.60 | 2,378.06 |
| ii)(b) Total outstanding dues of creditors other than to micro enterprises and small enterprises | | 11,171.88 | 8,819.44 |
| (iii) Other financial liabilities | | | |
| (b) Other current liabilities | 14 | 26,124.32 | 26,067.06 |
| (c) Provisions | 15 | 5,057.63 | 5,057.63 |
| (d) Current tax liabilities (net) | 9 | - | 126.24 |
| (e) Contract Liability | 16 | - | - |
| Total current liabilities | | 44,593.43 | 42,809.69 |
| Total equity and liabilities | | 1,17,800.59 | 1,15,874.44 |

The accompanying notes are an integral part of these financial statements

For **K.C.Malhotra & Co.**
Chartered Accountants
(ICAI Firm regn.No.000057N)

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: May 13, 2024



For and on behalf of the Board of Directors

(Kishore Chatnani)
Director
DIN : 07805465

(V.K.Luthra)
Director
DIN: 02837289

Isgec Covema Limited
CIN: U52109DL1986PLC025908
Statement of Profit and Loss for the year ended 31st. March, 2024

(IN INR K)

| | | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-----------------|----------|--------------------------------------|--------------------------------------|
| Income | | | | |
| Revenue from operations | | 17 | - | 6,718.00 |
| Other Income | | 18 | 3,275.18 | 2,377.28 |
| Total income | | | 3,275.18 | 9,095.28 |
| Expenses | | | | |
| Purchase of traded goods for resale | | | 2,653.92 | 235.04 |
| Erection & Civil Cost | | | 558.60 | 8,190.72 |
| Other expenses | | 19 | 253.31 | 796.60 |
| Total expenses | | | 3,465.83 | 9,222.36 |
| Profit / (loss) before tax | | | (190.65) | (127.08) |
| Tax expense | | | | |
| Current tax | | 20 | - | (55.07) |
| Deferred tax | | | 20.10 | - |
| Adjustment of current tax relating to earlier years | | | 312.96 | - |
| Profit / (loss) for the year | | | 142.41 | (182.15) |
| Other comprehensive income | | | | |
| Total comprehensive income/(Loss) for the year | | | 142.41 | (182.15) |
| Earnings per equity share (In Rs.) | Basic & Diluted | 21 | 0.07 | (0.09) |

The accompanying notes are an integral part of these financial statements

For K.C.Malhotra & Co.
Chartered Accountants
(ICAI Firm regn.No.000057N)

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: May 13, 2024



For and on behalf of the Board of Directors

(Kishore Chatnani)
Director
DIN : 07805465

(V.K Luthra)
Director
DIN: 02837289

Isgec Covema Limited
CIN: U52109DL1986PLC025908
Statement of Cash Flows for the year ended 31st. March, 2024

(IN INR K)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Cash flow from operating activities : | | |
| Profit before tax | (190.65) | (127.08) |
| Adjustment for : | | |
| Interest Income | (3,275.18) | (2,377.28) |
| Change in Operating assets and liabilities | | |
| Decrease / (Increase) in operating assets: | | |
| Deferred tax assets | (20.10) | - |
| Other non-current assets | 916.16 | 1,562.66 |
| Current financial assets-Trade receivables | 4,930.30 | 5,846.00 |
| Current financial assets-Others | (242.33) | (32.19) |
| Current tax assets (net) | (514.92) | - |
| Other current assets | 8.77 | (1,780.02) |
| Increase / (decrease) in Operating Liabilities : | | |
| Current financial liabilities -Trade payable | 2,213.98 | (20,589.77) |
| Other Current Liabilities | 57.26 | (8,161.23) |
| Current tax liabilities | (126.24) | (448.43) |
| Current liabilities -Contract liability | - | (5,846.00) |
| Cash generated from operations | 3,757.05 | (31,953.34) |
| Taxes paid | 333.06 | (55.07) |
| Net cash Inflow/(outflow) from operating activities (A) | 4,090.11 | (32,008.41) |
| Cash flows from investing activities : | | |
| Interest Received | 3,275.18 | 2,377.28 |
| Fixed deposits made | (54,751.76) | (43,017.10) |
| Proceeds from fixed deposits | 43,017.10 | 16,836.91 |
| Net Cash Inflow (outflow) from Investing Activities (B) | (8,459.48) | (23,802.91) |
| Cash flows from financing activities : | | |
| Increase/(decrease) in overdraft facility from bank | (361.26) | 361.26 |
| Net cash Inflow (outflow) from financial Activities (C) | (361.26) | 361.26 |
| Net Increase / (Decrease) In Cash & Cash Equivalents (A+B+C) | (4,730.63) | (55,450.06) |
| Cash and Cash Equivalents as at the beginning of the year | 5,410.52 | 60,860.58 |
| Cash and Cash Equivalents as at the end of the year | 679.89 | 5,410.52 |
| Components of cash and cash equivalents | | |
| Balance with banks | 679.89 | - |
| Cash in Hand | - | 3.94 |
| Bank fixed deposit with original maturity less than 3 months | - | 5,406.58 |
| Cash and cash equivalents | 679.89 | 5,410.52 |

Notes:

- The above cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7.
- Reconciliation of liabilities arising from financing activities

(IN INR K)

| Particulars | Short term borrowings |
|---------------------------------------|-----------------------|
| Opening balance as on 1st April,2023 | - |
| Non - cash changed due to: | |
| Interest expense | - |
| - Others | - |
| Cash flows during the year | -361.26 |
| Closing balance as on 31st March,2024 | -361.26 |

For **K.C.Malhotra & Co.**
Chartered Accountants
(ICAI Firm regn.No.000057N)

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: May 13, 2024



For and on behalf of the Board of Directors

(Kishore Chatnani)
Director
DIN : 07805465

(V.K Luthra)
Director
DIN : 02837289

Isgec Covema Limited
Notes on financial statements for the year ended 31st. March, 2024

Statement of changes in equity

A : Equity share capital

| | (IN INR K) |
|--|------------|
| As at 1st. April, 2022 | 20,000.00 |
| Changes in equity share capital due to prior period errors | - |
| Restated Balance at 1st. April, 2022 | 20,000.00 |
| Changes during the year | |
| As at 1st. April, 2023 | 20,000.00 |
| Changes in equity share capital due to prior period errors | - |
| Restated Balance at 1st. April, 2023 | 20,000.00 |
| Changes during the year | |
| As at 31st March, 2024 | 20,000.00 |

B : Other equity

| | (IN INR K) |
|---------------------------------------|--------------------------|
| Particulars | Retained Earnings |
| As at 1st. April, 2022 | 53,246.90 |
| Profit/(loss) for the year | (182.15) |
| Total comprehensive income | 53,064.75 |
| As at 31st. March, 2023 | 53,064.75 |
| Balance as at 1st. April, 2023 | 53,064.75 |
| Profit/(Loss) for the period | 142.41 |
| Total comprehensive income/(loss) | 53,207.16 |
| As at 31st March, 2024 | 53,207.16 |

C : Distribution made and Proposed

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Dividend on equity shares declared and paid: | | |
| Final dividend for the year ended on March 31, 2023 : INR Nil per share (March 31, 2022: INR Nil per share) | - | - |
| Proposed dividend on equity shares: | | |
| The Board proposed dividend on equity shares after the balance sheet date. Proposed dividend for the year ended on March 31, 2024 : INR 15 per share (March 31, 2023: INR Nil per share) | 30,000.00 | - |
| Total | 30,000.00 | - |

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31.

The accompanying notes are an integral part of these financial statements

For K.C.Malhotra & Co.

Chartered Accountants
(ICAI Firm regn.No.00005741)

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: May 13, 2024



For and on behalf of the Board of Directors



 (Kishore Chatnani) (V.K Luthra)
 Director Director
 DIN : 07805465 DIN: 02837289

Isgec Covema Limited
Material Accounting Policies

Note 1 : Corporate information

The company is a limited company domiciled in India with its registered office at 860, New Friends colony, New Delhi-110065 and is incorporated under the provisions of the Companies Act, 2013 as applicable in India. The company is the wholly owned subsidiary company of Isgec Heavy Engineering Limited holding the entire share capital along with its nominees.

The company is engaged in erection and commissioning of industrial boilers, sugar plants and related accessories.

Note 2 : Summary of Material Accounting Policies

(a) Basis of preparation and Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the company.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below (as applicable). The financial statements were authorized for issue by the company's Board of Directors on **13 May, 2024**.

(b) Accounting estimates , assumptions and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, Uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period. The area involving critical estimate or judgment is recognition of deferred tax assets for carried forward losses, impairment of trade receivables and estimation of tax expense, financial risk management objectives and policies in note 29 and other contingencies and commitments.

(c) Current versus Non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized in normal operating cycle,
- Held primarily for the purpose of the 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.
- All other assets are classified as non-current.

❖ A liability is classified as current when:

- It is expected to be settled in normal operating cycle,



Isgec Covema Limited
Material accounting policies contd.

- It is held primarily for the purpose of the 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.
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposit with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) -7 "Statement of Cash flows" using the indirect method for operating activities.

(e) Provisions, Contingent Liability and Contingent Assets

Provisions are recognized 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 a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when a possible obligation from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or uncertain events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of obligation be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity. Contingent liabilities and contingent asset are not recognized but are disclosed in notes.

(f) Taxes

Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current income tax is charged at the end of reporting year to statement of profit and loss.

Current income tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax Asset / Liability has been recognized as per timing differences between taxable income and accounting income.



Isgec Covema Limited
Material accounting policies contd.

(g) Revenue recognition

Revenue from contracts with customers

The revenue accounting standard is not applicable to the company as the company has not carried on any commercial activities during the year thus, there are no sales and therefore no disclosure is to be provided on account of revenue accounting standard other than those provided in the financial statements.

Interest income

Interest income is accounted on a time proportion basis taking into account outstanding and the effective interest rate (EIR). Effective rate of interest is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(h) Earning per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the Weighted average number of Equity shares outstanding during the year.

(i) Borrowing costs

Borrowing costs consists of interest and other costs, and are expensed in the period in which they are incurred.

(j) Financial instruments

Initial recognition and measurement

An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, 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 profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

***Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit and loss when the asset is derecognized or impaired these. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

***Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and



Isgec Covema Limited
Material accounting policies contd.

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

Impairment of financial assets

In accordance with IND-AS 109, the company applies expected credit loss (ECL) mode for measurement and recognition of impairment loss on financial assets and credit risk exposures.

Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, deposits, trade receivable and bank balance. Financial assets that are debt instruments and are measured as at FVTOCI. The company follows simplified approach for recognition of impairment loss allowance on trade receivables and unbilled revenue. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its recognition. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

Derecognition

A financial asset is derecognised only when the company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive cash flows of the financial asset, but assumes contractual obligation to pay the cash flows to one or more recipients when the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

A financial liability is derecognised 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

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 financial liabilities designated upon initial recognition as at fair value through profit or loss.



Isgec Covema Limited
Material accounting policies contd.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

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. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to p &L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has designated its liabilities as financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or 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.

This category generally applies to borrowings. The Company has not designated its financial liabilities at amortised cost.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(m) Leases

As a lessee

The company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements under it was a lessee at the lease commencement date except for short-term leases and of low-value leases.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.



Isgec Covema Limited
Material accounting policies contd.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined company's incremental borrowing rate.

Short -term leases and leases of low-value leases

The company has elected not to recognise right-of-use assets and lease liabilities for short- term leases of real estate properties that have a lease term upto 12 months and leases of low-value. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IND AS 17 (In Comparative year)

In the comparative period, determination of whether an arrangement is (or contains) a lease is based on substance of arrangement at inception of lease. The arrangement is, or contains, a lease if fulfillment of arrangement is dependent on use of a specific asset or assets and arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee- Operating leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.



Isgec Covema Limited
Notes on financial statements for the year ended 31st. March, 2024

Note 3 :Non Current Financial Assets -Others

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Security deposits (Unsecured) | 33.05 | 33.05 |
| Total non-current financial assets-others | 33.05 | 33.05 |

Note 4: Deferred tax assets / liabilities (net)

The balance comprises temporary differences attributable to :

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Deferred tax assets | 20.10 | - |
| Net deferred tax assets / (liabilities) | 20.10 | - |

Note 5 :Other non current assets

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Balance with Govt authorities -WCT receivables | 807.16 | 1,723.32 |
| Total other non-current assets | 807.16 | 1,723.32 |



Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note 6: Trade Receivables

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------|-------------------------|-------------------------|
| Secured considered good | - | - |
| Unsecured considered good | 40,342.60 | 45,272.90 |
| Total Trade receivables | 40,342.60 | 45,272.90 |

Ageing of Trade Receivables

(IN INR K)

| Particulars | Outstanding as on March 31, 2024 for the following period from the due date of payment | | | | | | Total |
|---|--|-----------------------|-----------------------|----------------------|-----------------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months to 1 year | 1 year to 2 years | 2 years to 3 years | More than 3 years | |
| i) Undisputed Trade receivables - Considered good | 8,000.00 | - | - | - | 4,144.75 | 28,197.85 | 40,342.60 |
| ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| iv) Disputed Trade receivables - Considered good | - | - | - | - | - | - | - |
| v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| Total | 8,000.00 | - | - | - | 4,144.75 | 28,197.85 | 40,342.60 |

Ageing of Trade Receivables

(IN INR K)

| Particulars | Outstanding as on March 31, 2023 for the following period from the due date of payment | | | | | | Total |
|---|--|-----------------------|-----------------------|----------------------|-----------------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months to 1 year | 1 year to 2 years | 2 years to 3 years | More than 3 years | |
| i) Undisputed Trade receivables - Considered good | 8,000.00 | - | - | 17,511.88 | 19,761.02 | - | 45,272.90 |
| ii) Undisputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| iv) Disputed Trade receivables - Considered good | - | - | - | - | - | - | - |
| v) Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| vi) Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - |
| Total | 8,000.00 | - | - | 17,511.88 | 19,761.02 | - | 45,272.90 |



Isgec Covema Limited
Notes on financial statements for the year ended 31st. March, 2024

Note 7: Current Financial Assets- Cash and cash equivalents

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Cash and cash equivalent | | |
| Balances with banks | | |
| - In current accounts | 679.89 | - |
| Cash in Hand | - | 3.94 |
| Deposits with original maturity of less than 3 months | - | 5,406.58 |
| Total | 679.89 | 5,410.52 |
| Other Bank balance | | |
| Fixed Deposits | | |
| - Deposits with remaining maturity of less than 12 months | 54,751.76 | 43,017.10 |
| Total | 54,751.76 | 43,017.10 |
| | | |
| Total Cash and cash equivalents | 55,431.65 | 48,427.62 |

Note 8 :Other financial assets

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Interest accrued but not due on deposits | 881.24 | 638.91 |
| Total other financial assets | 881.24 | 638.91 |

Note 9 :Current tax assets/(liabilities) (net)

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Advance tax | 328.20 | 17,067.96 |
| Less: Provision for tax | 186.72 | (17,194.20) |
| | 514.92 | (126.24) |
| MAT credit entitlement | - | - |
| Less: Provision for MAT | - | - |
| Total current assets/(liabilities) (net) | 514.92 | (126.24) |

Note 10 : Other Current Assets

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Balance with Govt authorities- | | |
| GST receivables | 19,019.19 | 18,983.03 |
| GST Excess Deposit | 0.00 | 29.29 |
| Advance to suppliers | 750.68 | 766.32 |
| Total other current assets | 19,769.87 | 19,778.64 |



Note 11 : Equity share capital

(IN INR K)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-------------------------|------------------|-------------------------|------------------|
| | Number of shares | Amount | Number of shares | Amount |
| Authorised share capital | | | | |
| Equity shares of 10/- each with voting rights | 20,00,000 | 20,000.00 | 20,00,000 | 20,000.00 |
| Issued,subscribed and paid up | | | | |
| Equity shares of Rs.10/-each fully paid up with voting rights | 20,00,000 | 20,000.00 | 20,00,000 | 20,000.00 |
| Total Equity share capital | 20,00,000 | 20,000.00 | 20,00,000 | 20,000.00 |

(i) Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible to vote per share held. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of the preferential amounts in proportion to their shareholding.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Number of shares | Amount (in K) | Number of shares | Amount (in K) |
| Equity shares | | | | |
| At the commencement of the year | 20,00,000 | 20,000.00 | 20,00,000 | 20,000.00 |
| Add: issued during the year | - | - | - | - |
| At the end of the year | 20,00,000 | 20,000.00 | 20,00,000 | 20,000.00 |

(iii) Equity shares of the company held by holding company

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Isgec Heavy Engineering Limited * | 20,00,000 | 20,00,000 |

(iv) Detail of equity shares held by shareholders holding more than 5% shares of total number of equity shares

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-------------------------|--------------|-------------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares with voting rights | | | | |
| Isgec Heavy Engineering Limited * | 20,00,000 | 100 | 20,00,000 | 100 |

* Out of 2,000,000 shares held by Isgec Heavy Engineering Limited 100 shares are held by six nominees of Isgec Heavy Engineering

(v) Shareholding of Promoters:

| Shares held by promoters at the end of the year | As at March 31, 2024 | | As at March 31, 2023 | | % change during the year |
|---|-------------------------|-------------------|-------------------------|-------------------|--------------------------|
| | Number of shares | % of total shares | Number of shares | % of total shares | |
| Promoter name | | | | | |
| Isgec Heavy Engineering Limited | 2000000 | 100 | 2000000 | 100 | NIL |



Note 12 : Other equity

(IN INR K)

| Particulars | As at | |
|-----------------------------------|------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Retained earnings (i) | 53,207.16 | 53,064.75 |
| Total reserves and surplus | 53,207.16 | 53,064.75 |

(i) Retained earnings

(IN INR K)

| Particulars | As at | |
|-----------------------------|------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Opening balance | 53,064.75 | 53,246.90 |
| Profit /(Loss) for the year | 142.41 | (182.15) |
| Closing balance | 53,207.16 | 53,064.75 |

Retained earnings

This represents appropriation of profit after taxes by the company

Note 12A : Borrowings

(IN INR K)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|----------|----------------------|---------------|
| | Non-current | Current | Non-current | Current |
| Overdraft facility from bank in current account | - | - | - | 361.26 |
| Total trade payables | - | - | - | 361.26 |

Note 13 : Trade payables

(IN INR K)

| Particulars | As at | | As at | |
|---|----------------|------------------|----------------|------------------|
| | March 31, 2024 | | March 31, 2023 | |
| | Non-current | Current | Non-current | Current |
| Dues to micro, small and medium enterprises # | - | 2,239.60 | - | 2,378.06 |
| Payables Other than MSME * | - | 11,171.88 | - | 8,819.44 |
| Total trade payables | - | 13,411.48 | - | 11,197.50 |

Due to a related party (refer note 22.2)

0.00

10.62



Disclosures as per Micro,Small and Medium Enterprises Development Act,2006 (MSMED)

(IN INR K)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| a) The principal amount and the interest due thereon to remaining unpaid to suppliers : | | |
| i) Principal | 2,239.60 | 2,378.06 |
| ii) Interest due thereon | 39.72 | 442.00 |
| b)Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| c)Interest paid, other than under Section 16 of MSMED Act,to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| d)Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| e)Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| f) Further interest remaining due and payable for earlier years | - | - |

Note: The above information regarding, Micro Small and Medium Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the company.



Ageing of Trade Payables

(IN INR K)

| Particulars | Outstanding as on March 31, 2024 for the following period from the due date of payment | | | | | |
|----------------------------|--|------------------|-------------------|--------------------|-------------------|------------------|
| | Not due | Less than 1 year | 1 year to 2 years | 2 years to 3 years | More than 3 years | Total |
| i) MSME | 2,168.55 | 0.04 | 12.32 | 54.97 | 3.72 | 2,239.60 |
| ii) Others | 10,032.76 | 518.83 | 620.29 | - | - | 11,171.88 |
| iii) Disputed dues - MSME | - | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 12,201.31 | 518.87 | 632.61 | 54.97 | 3.72 | 13,411.48 |

(IN INR K)

| Particulars | Outstanding as on March 31, 2023 for the following period from the due date of payment | | | | | |
|----------------------------|--|------------------|-------------------|--------------------|-------------------|------------------|
| | Not due | Less than 1 year | 1 year to 2 years | 2 years to 3 years | More than 3 years | Total |
| i) MSME | - | 25.59 | 1,404.73 | 947.74 | - | 2,378.06 |
| ii) Others | 462.61 | 7,709.29 | 577.96 | 69.58 | - | 8,819.44 |
| iii) Disputed dues - MSME | - | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 462.61 | 7,734.88 | 1,982.69 | 1,017.32 | - | 11,197.50 |

Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note 14 : Other current liabilities

(IN INR K)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------------------|-------------------------|------------------|-------------------------|------------------|
| | Non-current | Current | Non-current | Current |
| Statutory Dues Payable | - | 63.32 | - | 6.06 |
| Other Payables (Site Advance) | - | 230.00 | - | 230.00 |
| Revenue received in advance | - | 25,831.00 | - | 25,831.00 |
| | - | 26,124.32 | - | 26,067.06 |

Note 15 : Provisions

(IN INR K)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------------|-------------------------|-----------------|-------------------------|-----------------|
| | Non-current | Current | Non-current | Current |
| Provision for warranty* | - | 5,057.63 | - | 5,057.63 |
| Total | - | 5,057.63 | - | 5,057.63 |

*Provision is made for the estimated warranty claims and after sales services in respect of products sold.

Note 15.1 : Movement of provision for warranty

(IN INR K)

| Nature of provisions | As at March 31, 2024 | As at March 31, 2023 |
|---|--|---------------------------------|
| | (a) Movement of provision for performance warranties/after sales services | |
| Carrying amount at the beginning of the year | 5,057.63 | 5,057.63 |
| Additional provision made during the year | - | - |
| Amount used during the year | - | - |
| Amount reversed during the year | - | - |
| Adjustment due to discounting | - | - |
| Carrying amount at the end of the year | 5,057.63 | 5,057.63 |
| Break up of carrying amount at the end of the year | As at March 31, 2024 | As at March 31, 2023 |
| Short Term provisions | 5,057.63 | 5,057.63 |
| Long Term provisions | - | - |

Note 16 : Other current liabilities

(IN INR K)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|------------------------|-------------------------|---------|-------------------------|---------|
| | Non-current | Current | Non-current | Current |
| Advance from customers | - | - | - | - |
| | - | - | - | - |



Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note 17: Revenue from contracts with customers

(IN INR K)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Resale of machinery | - | 6,718.00 |
| Erection services | - | - |
| Total Revenue from contracts with customers | - | 6,718.00 |

Note 18: Other Income

(IN INR K)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---------------------------|--------------------------------------|--------------------------------------|
| Interest on Fixed Deposit | 3,275.18 | 2,377.28 |
| Total other income | 3,275.18 | 2,377.28 |

Note 19: Other expenses

(IN INR K)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Power & Fuel | - | 22.73 |
| Repair & Maintenance | - | 1.00 |
| Employee Food & Beverage | - | 17.65 |
| Rent * | 36.00 | 104.18 |
| Telephone Expense | - | 4.77 |
| Printing & Stationary | - | 0.56 |
| Travelling Expenses | 12.30 | 159.77 |
| Freight Expenses | 0.49 | 40.79 |
| Legal and professional charges | 114.80 | 13.00 |
| Miscellaneous Expenses | - | 36.25 |
| Interest - Other | 39.72 | 345.90 |
| Auditors remuneration -Statutory audit fee | 50.00 | 50.00 |
| Total other expenses | 253.31 | 796.60 |

* includes site staff accomodation rent paid Rs. Nil (PY Rs. 68,183)



Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note 20 Tax expense

(IN INR K)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| a) Current tax | - | 55.07 |
| b) Adjustment of current tax relating to earlier years | (312.96) | |
| Total current tax expense | (312.96) | 55.07 |
| c) Deferred tax | (20.10) | - |
| Total deferred tax expense | (20.10) | - |
| Total Income tax expense | (333.06) | 55.07 |

Reconciliation of tax expense and accounting profit multiplied by tax rate

(IN INR K)

| | | |
|---|-----------------|--------------|
| Profit /(loss) before tax | (190.65) | (127.08) |
| Tax @25.168 % (25.168 % 2022-23) | (47.98) | (31.98) |
| Tax effect amounts which are deductible in calculating taxable income/(loss) | 27.88 | 87.05 |
| Adjustment for prior years | (312.96) | - |
| Provision for interest on Income Tax | - | - |
| Income tax expense | (333.06) | 55.07 |



Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note 21 : Earnings per share (EPS)

In accordance with IND - AS 33 on "Earnings per share", the following table reconciles the numerator and denominator used to calculate Basic and Diluted earning per share:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Profit /(loss) attributable to equity shareholders (in INR K) | 142.41 | (182.15) |
| Weighted average number of equity shares | 20,00,000 | 20,00,000 |
| Nominal value of equity shares (in INR) | 10 | 10 |
| Basic and Diluted earnings per share (in INR) | 0.07 | (0.09) |

Note 22: Related party disclosures

| | |
|--|---|
| a) Enterprises exercising control | |
| i) Holding company | Isgec Heavy Engineering Limited |
| b) Enterprises where control of(a) (i) exists | |
| i) Subsidiaries (Extent of holding) | Saraswati Sugar Mills Limited (100%) Freelook Softwares Private Limited (100%) Isgec Engineering and Projects Limited(100%) Isgec Exports Limited (100%) Eagle Press & Equipment Co. Limited,Canada (100%) Isgec Investments Pte Limited, Singapore (100%) |
| ii) Joint ventures | Isgec Hitachi Zosen Limited (51 % control) Isgec SFW Boilers Private Limited (51% control) Isgec Titan Metal Fabricators Private Limited (51% control) Isgec Redecam Enviro Solutions Private Limited (51% control) |
| c) Key Management Personnel | |
| i) Non-executive directors | Mr. Aditya Puri Mr. Kishore Chatnani Mr. Vinod Kumar Luthra |

Note 22.1: Transactions with related parties:

The following transactions occurred with related parties:

(IN INR K)

| Name of related party | Accounts affected | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-------------------------------|--------------------------------------|--------------------------------------|
| Isgec Heavy Engineering Limited Viz.Holding Company | Purchase of goods for resale* | - | 56.64 |
| Isgec Heavy Engineering Limited Viz.Holding Company | Purchase of services ** | - | 7,080.00 |
| Isgec Heavy Engineering Limited Viz.Holding Company | Rent paid *** | 42.48 | 42.48 |

* Inclusive of GST Rs. Nil (March.23 Rs. 8.6 K)

**Inclusive of GST Rs. Nil (March.23 Rs. 1,080 K)

***Inclusive of GST Rs. 6.5 K (March.23 Rs. 6.5 K)

Note 22.2 :Year end balances of related parties

(IN INR K)

| Name of related party | Accounts affected | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------|-------------------------|-------------------------|
| Isgec Heavy Engineering Limited Viz.Holding Company (refer note 13) | Trade payables | - | 10.62 |

Note 22.3: Terms and conditions of transactions with related parties:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.



Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note 23 : Fair value measurements

Set below, is a comparison by class of the carrying amounts and fair value of the Company's financial statements, other than those with carrying amounts that are reasonable approximation of fair values :

(IN INR K)

| Financial instruments by category | | Carrying value | | Fair value | |
|--|----|-------------------------|-------------------------|-------------------------|-------------------------|
| | | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Financial assets at amortised cost | | | | | |
| Trade receivables | 6 | 40,342.60 | 45,272.90 | 40,342.60 | 45,272.90 |
| Security deposits | 3 | 33.05 | 33.05 | 33.05 | 33.05 |
| Cash and cash equivalents | 7 | 679.89 | 5,410.52 | 679.89 | 5,410.52 |
| Other bank balances | 7 | 54,751.76 | 43,017.10 | 54,751.76 | 43,017.10 |
| Interest accrued and due | 8 | 881.24 | 638.91 | 881.24 | 638.91 |
| Total financial assets | | 96,688.54 | 94,372.48 | 96,688.54 | 94,372.48 |
| Financial liabilities at amortised cost | | | | | |
| Trade payables | 13 | 13,411.48 | 11,197.50 | 13,411.48 | 11,197.50 |
| Total financial liabilities | | 13,411.48 | 11,197.50 | 13,411.48 | 11,197.50 |

The carrying amounts of trade receivables, trade payables, cash and bank balances, and other financial assets are considered to be the same as their fair values.

Note 24: Segment information

The company is engaged in one segment of erection and commissioning of industrial boilers and sugar plants and related accessories identified in accordance with principles enunciated in Indian Accounting Standard (IND AS-108), Segment Reporting. Hence, separate business segment information is not applicable. The Board of directors of the company has been identified as The Chief Operating Decision Maker (CODM). The chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.



Note 25 -Leases

Company as a Lessee

The company has lease contract for one demised premises for office use for a term of two years which is of low-value lease. There is no lease that have not commenced yet. The company recognises the lease payment associated with this lease as an expense on a straight-line basis over the term of lease. The lease rent charged Rs 36 K exclusive of GST RS 6.5 K (refer note 22.1) in the statement of profit and loss in relation to long-term lease which is of low value.

Practical expedients applied:

In applying Ind AS 116 for the first time, the Company has used the following practical expedients:

- i) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1st. April, 2020.
 - ii) Accounting for operating lease with a remaining lease term of two years as at April 2022 being long-term lease of low-value lease
 - iii) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and restrictions from assigning and sub-letting the leased asset.
- There is no impact on the company due to change in the accounting policy on applying of IND AS 116.

Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note 26 : Revenue from contracts with customers (Disclosure pursuant to IND AS 115)

(IN INR K)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Revenue from customers (refer note 17) | - | 6,718.00 |
| Contract balances | | |
| - Unbilled revenue (refer note 10) | - | - |
| - Contract liability (refer note 16) | - | - |
| Amount of revenue recognised for : | | |
| Amount included in the contractual liability of the beginning of the year | - | 5,846.00 |
| Reconciliation of revenue recognised in profit and loss and contracted price: | | |
| There is no reconciliation between the amount of revenue recognised Rs NIL and with the contracted price | | |
| Right to return asset and refund liability: | | |
| There is no right to return asset and refund liability with the company | | |
| Timing of recognition and method, and Information about performance obligation: | | |
| -The timing for revenue recognition is services performed overtime | | |
| -The company uses input method for recognising services overtime progressively by measuring the progress towards complete satisfaction of that performance obligation, because the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs. | | |
| -There is no remaining performance obligation, as on 31st March, 2024 (31st March, 2023 NIL) to be performed next year in relation to the resale of machinery/erection services in the current year | | |



Isgec Covema Limited

Notes on financial statements for the year ended 31st. March, 2024

Note No. 27. Ratio Analysis

| Sl. No. | Ratios | Numerator | Denominator | FY 2023-2024 | FY 2022-2023 | Percentage variance | Explanation for any change in the ratio by more than 25% as compared to the preceding year. |
|---------|----------------------------------|--|---|--------------|--------------|---------------------|---|
| 1 | Current Ratio | Current assets | Current liabilities | 2.62 | 2.67 | -1.63 | |
| 2 | Debt-Equity Ratio | Total debt | Total equity | NA | NA | - | |
| 3 | Debt Service Coverage Ratio | Earning before interest, tax and depreciation & amortisation | Short & long term borrowings | NA | NA | - | |
| 4 | Return on Equity Ratio * | Profit after tax | Average total equity | 0.19% | -0.25% | -178.20 | Profit after tax during the current financial year in comparison with loss after tax during the <u>previous</u> year. |
| 5 | Inventory Turnover Ratio | Cost of goods sold | Average inventory | NA | NA | - | |
| 6 | Trade Receivables Turnover Ratio | Revenue from operation | Average trade receivables | - | 0.14 | -100.00 | Nil revenue during the current financial year. |
| 7 | Trade Payables Turnover Ratio | Net purchases = Gross purchases - purchase return | Average trade payables | 0.26 | 0.39 | -33.40 | Decrease is mainly due to lower purchases and increase in trade payable during the year. |
| 8 | Net Capital Turnover Ratio | Revenue from operation | Average working capital | - | 0.10 | -100.00 | Nil revenue during the current financial year. |
| 9 | Net Profit Ratio * | Profit after tax | Revenue from operation | 0.00% | -2.71% | -100.00 | Nil revenue during the current financial year. |
| 10 | Return on Capital Employed | Profit before interest and tax | Total equity + short & long term borrowings | -0.26% | -0.17% | 49.73 | Decrease is mainly due to higher losses incurred during the current financial year |
| 11 | Return on Investment | Profit after tax | Total of Assets side | 0.12% | -0.16% | -176.90 | Profit after tax during the current financial year in comparison with loss after tax during the <u>previous</u> year. |

* Profit after tax before other comprehensive income

28. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961



Note 29 : Financial risk management

The company's financial liabilities comprises of trade and other payables. The main purpose these financial liabilities is to manage finances for the company's operations. Financial assets include trade and other receivables, cash and cash equivalents and other financial assets that are derived from its operations. The company is exposed to **Market risk, Credit risk and Liquidity risk.**

(a) Market risk

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

(a) Credit risk

Credit risk is the risk that a counterparty will not meet the obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed from its operating activities (primarily trade receivables) which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks. Investments primarily include certificates of deposits which are funds deposited at a bank for a specified time period.

The board of directors reviews and agrees policies for managing each of these risks. The limits are set to minimise the concentration of risks, and therefore mitigate loss through counterparty's potential failure to make payments.

Trade receivables

Customer credit risk is managed by the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and an impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 3. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Trade receivables are written off when there is no reasonable expectations of recovery or failing to engage in a repayment plan with the company.

Expected credit loss for trade receivables under simplified approach (IN INR K)

| Ageing | Not due | Less than 6 months | 6 to 12 months | More than 12 months | Total |
|--|----------|--------------------|----------------|---------------------|-----------|
| As at 31st. March, 2023 | | | | | |
| Gross carrying amount | 8,000.00 | - | - | 37,272.90 | 45,272.90 |
| Expected credit loss | - | - | - | - | - |
| Carrying amount of trade receivables (net of impairment) | 8,000.00 | - | - | 37,272.90 | 45,272.90 |
| As at 31 March, .2024 | | | | | |
| Gross carrying amount | 8,000.00 | - | - | 32,342.60 | 40,342.60 |
| Expected credit loss | - | - | - | - | - |
| Carrying amount of trade receivables (net of impairment) | 8,000.00 | - | - | 32,342.60 | 40,342.60 |



The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

| Particulars | (IN INR K) | |
|------------------------------|---------------------------|---|
| | ECL for Trade Receivables | |
| As at 31st.March,2022 | - | - |
| Provided during the year | - | - |
| Reversal of provisions | - | - |
| As at 31st.March,2023 | - | - |
| Provided during the year | - | - |
| Reversal of provisions | - | - |
| As at 31st.March,2024 | - | - |

(b) Liquidity risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and its liquidity requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. In addition processes and policies related to such risk are overseen by senior management. Management monitors the Company's liquidity position through rolling, forecast on the basis of expected cash flows.

Maturities of financial liabilities

The following table summarises the maturity profile of the company's financial liabilities at the reporting date based on contractual undiscounted payments

(IN INR K)

| Contractual maturities of financial liabilities | 31st.March,2024 | | | | | 31st.March,2023 | | | | |
|---|------------------|--------------------|----------------|--------------|------------------|------------------|--------------------|----------------|--------------|------------------|
| | on demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Total | on demand | Less than 3 months | 3 to 12 months | 1 to 5 years | Total |
| Non-derivatives | | | | | | | | | | |
| Trade payables | 13,411.48 | - | - | - | 13,411.48 | 11,197.50 | - | - | - | 11,197.50 |
| Total Non-derivatives | 13,411.48 | - | - | - | 13,411.48 | 11,197.50 | - | - | - | 11,197.50 |

Note 30: The company is not having any contingent liabilities, commitments and litigations as on 31 st March 2024 (31st.March,2023 NIL)

Note 31: Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/disclosure.

For K.C.Malhotra & Co.
Chartered Accountants
(ICAI Firm regn.No.000057N)

(Ramesh Malhotra)
Partner
M.No.013624
Place: New Delhi
Date: May 13, 2024



For and on behalf of the Board of Directors

(Kishore Chatnani)
Director
DIN : 07805465

(V.K. Luthra)
Director
DIN: 02837289