

**R Kothari & Co LLP**  
**CHARTERED ACCOUNTANTS**  
**KOLKATA, NEW DELHI**  
**INDEPENDENT AUDITOR'S REPORT**

TO  
THE MEMBERS OF  
MP Smart Grid Private Limited  
Report on the Audit of Ind-As Financial Statements

**Opinion**

We have audited the accompanying Financial Statements of MP Smart Grid Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its Profit including Other Comprehensive Income, the Statement of Changes in Equity and its Cash Flow Statement for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) 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 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 (ICAI) together with the independence requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report including annexure to Board Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our Auditor's report thereon.

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

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**R Kothari & Co (a partnership firm with FRN-307069E) converted into R Kothari & Co LLP. (a Limited Liability Partnership with LLP Identification No, AAS-5294 w. e. f 3<sup>rd</sup> June, 2020)**



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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have not received any such information; hence we are not able to comment on such matter.

### **Responsibility of the Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement in accordance with the Ind AS and other accounting principles generally accepted in India. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of the material misstatement of the Financial Statement, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors 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 A", a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

- I. 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 purpose 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, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the afore said Ind-AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of section 164(2) of the Act.
  - f. In terms of the notification issued by Ministry of Companies Affairs dated 13th June, 2017 and according to the information and explanations given to me, the reporting requirement with respect to the adequacy of the internal financial controls under section 143(3)(i) of the Companies Act, 2013 is not applicable to the company; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has no pending litigations on the financial position in the Financial Statements
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - h. A. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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;



## Continuation Sheet

B. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

C. Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.

i. The Company has neither declared nor paid any dividend during the year.

For R. Kothari & Co LLP

Chartered Accountants

FRN: 307069E/E300266



CA. Kailash Chandra Soni

Partner

Membership No. 057620

Place: Kolkata

Date: 23-05-2023

UDIN: 23057620BGVKDX3932

**"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT**

The Annexure A referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023, we report that:

- (i) (a) (A) The Company has does not have any Property, Plant & Equipment. Hence, part (A) of sub clause (a) of Paragraph 3(i) is not applicable to the company.
- (B) The Company does not have any Intangible Assets. Hence, part (B) of sub clause (a) of Paragraph 3(i) is not applicable to the company.
- (b) The Company does not have any Property, Plant & Equipment. Hence, sub clause (b) of Paragraph 3(i) is not applicable to the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property under Property, Plant & Equipment.
- (d) The Company does not have any Property, Plant & Equipment. Hence, sub clause (d) of Paragraph 3(i) is not applicable to the company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, neither any proceedings have been initiated nor are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any inventory. Hence, sub-clause (a) of Paragraph 3(ii) of the Order is not applicable to the company.
- (b) The company has not been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets. Hence, sub-clause (b) of Paragraph 3(ii) of the Order is not applicable to the company.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured/unsecured, to companies/firms/Limited Liability Partnerships/other parties. Hence paragraph 3(iii) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanation given to us the Company has not made any loan, investment, and guarantees to any person specified under section 185 and section 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.
- (v) The company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Therefore, the reporting under Paragraph 3 (v) of the said Order is not applicable to the Company.



- (vi) As per the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing undisputed statutory dues including Income-Tax and any other statutory dues with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income-Tax and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, there is no such transaction recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) Based on our audit procedures and on the information and explanations given by the management, the company has not taken any loans or borrowings from financial institutions, banks, government. The company has not issued any debenture. Hence, Paragraph 3(ix) of the Order is not applicable to the Company.
- (x) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the reporting under sub clause (a) to Paragraph 3(x) of the order is not applicable to the Company.
- (b) According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year under review. Accordingly, the reporting under sub clause (b) Paragraph 3 (x) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has neither committed any fraud nor has any fraud on the Company by its officers or employees has been noticed or reported.
- (b) The company has not committed any fraud during the year. Hence, sub-clause (b) of Paragraph 3(xi) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, the Company has not received any complaints from any whistle - blower during the year (and upto the date of this report) and hence reporting under this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the reporting under Paragraph 3 (xii) of the Order is not applicable to the Company.



- (xiii) Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Note 23 of the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has an internal check system commensurate with the size and nature of its business. The requirement of Internal Audit as per Companies Act, 2013 is not applicable. Hence, Paragraph 3(xiv) of the Order is not applicable to the company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the reporting under Paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) a) Based upon the audit procedures performed and the information and explanations given by the management, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.
- b) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) Based upon the audit procedures performed and the information and explanations given by the management, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under Paragraph 3 (xvi)(c) of the Order is not applicable to the Company.
- d) Based upon the audit procedures performed and the information and explanations given by the management, the Group does not have any Core Investment Company (CIC) as part of Group. Therefore, reporting under clause 3 (xvi) (d) of the said Order is not applicable.
- (xvii) Based upon the audit procedures performed and the information and explanations given by the management, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) According to the information and explanations given to us and based on our examination of the records of the Company, there has not been any resignation of the statutory auditors of the company during the year.
- (xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realizations of financial assets and payment of the 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 the 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.





**Continuation Sheet**

- (xx) Based upon the audit procedures performed and the information and explanations given by the management, the Company is not required to transfer any amount to any fund specified in Schedule VII and sub-section (5) of Section 135 of the Companies Act, 2013. Hence, Paragraph 3(xx) of the Order is not applicable to the company.
- (xxi) In our opinion, the company is not required to prepare Consolidated Financial Statements. Hence, Paragraph 3(xxi) of the Order is not applicable to the Company.

For R. Kothari & Co LLP  
Chartered Accountants  
FRN: 307069E/E300266



CA. Kailash Chandra Soni  
Partner  
Membership No. 057620

Place: Kolkata  
Date: 23-05-2023  
UDIN: 23057620BGVKDX3932

MP Smart Grid Private Limited  
Balance Sheet as at 31st March 2023

(Rs in lakhs)

Particulars	Note no.	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	4	880.25	421.37
(ii) Cash and cash equivalents	5	65.50	141.30
(b) Current tax assets (net)		91.78	58.30
(c) Other current assets	6	288.98	333.76
<b>Total Assets</b>		<b>1,326.51</b>	<b>954.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7	10.00	10.00
(b) Other equity	8	78.98	78.90
		<b>88.98</b>	<b>88.90</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	9	400.00	400.00
(ii) Trade payables	10		
1) Total outstanding dues of micro enterprises and small enterprises		365.90	49.08
2) Total outstanding dues of creditors other than micro enterprises and small enterprises		377.66	377.66
(iii) Other financial liabilities	11	80.10	27.42
(b) Other current liabilities	12	13.87	11.67
		<b>1,237.53</b>	<b>865.83</b>
<b>Total Equity and Liabilities</b>		<b>1,326.51</b>	<b>954.73</b>

Significant accounting policies and other accompanying notes (1-29) are an integral part of financial statements

Significant Accounting Policy	2
Critical accounting judgements, assumptions and key sources of estimation and uncertainty	3

As per our report on even date.

For R. Kothari & Co. LLP

Chartered Accountants

Firm Registration No.: 307069E/1300266

CA. Kailash Chandra Soni

Partner

Membership No.: 057620



For and on behalf of the Board of Directors

Somesh Dasgupta

Director

DIN: 01298835

Argha Ghosh

Director

DIN: 09038856

Place : Kolkata

Date: 23rd May, 2023

Particulars	Note no	Year ended March 31st, 2023	Year ended March 31st, 2022
<b>Income</b>			
Revenue from Operations	13	2,386.39	2,816.19
Other income	14	1.34	0.16
<b>Total Income</b>		<b>2,387.73</b>	<b>2,816.35</b>
<b>Expenses</b>			
Cost of Material Consumed & Installation services	15	2,274.31	2,737.44
Finance Cost	16	55.39	24.94
Other expenses	17	57.83	45.27
<b>Total expenses</b>		<b>2,387.53</b>	<b>2,807.65</b>
<b>Profit / (Loss) before tax</b>		<b>0.20</b>	<b>8.70</b>
<b>Tax expense:</b>	18		
Current tax		0.12	2.26
Deferred tax		-	-
<b>Profit / (Loss) for the period</b>		<b>0.08</b>	<b>6.44</b>
<b>Total Comprehensive Income for the year</b>		<b>0.08</b>	<b>6.44</b>
<b>Earnings per equity share:</b>			
Basic and Diluted (in Rs)	19	0.08	6.44

Significant accounting policies and other accompanying notes (1-29) are an integral part of financial statements

As per our report on even date.

For R. Kothari & Co. LLP

Chartered Accountants

Firm Registration No.: 307069E/E300266

CA. Kailash Chandra Soni

Partner

Membership No.: 057620

Place : Kolkata

Date: 23rd May, 2023

For and on behalf of the Board of Directors

Somesh Dasgupta

Director

DIN: 01298835

Argha Ghosh

Director

DIN: 09038856

MP Smart Grid Private Limited  
Cash Flow Statement for the year ended 31st March, 2023

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>A. Cash flows from operating activities</b>		
Profit before tax for the year	0.20	8.70
Adjustments for:		
Interest income on Fixed Deposits	(0.41)	(0.16)
<b>Operating profit before working capital changes</b>	<b>(0.21)</b>	<b>8.54</b>
Adjustments for:		
(Increase) / decrease in Current Asset	(414.09)	(39.45)
Increase / (decrease) in Current liabilities	371.71	(198.10)
<b>Cash flow generated from operations</b>	<b>(42.59)</b>	<b>(229.01)</b>
Direct taxes paid	(33.62)	(54.17)
<b>Net cash flow (used in)/ from operating activities (A)</b>	<b>(76.21)</b>	<b>(283.18)</b>
<b>B. Cash flows from investing activities</b>		
Interest received on Fixed Deposits	0.41	0.16
<b>Net cash flow (used in)/ from investing activities (B)</b>	<b>0.41</b>	<b>0.16</b>
<b>C. Cash flows from financing activities</b>		
Borrowings from Body Corporate	-	400.00
<b>Net cash (used in)/ from financing activities (C)</b>	<b>-</b>	<b>400.00</b>
<b>Net increase/(decrease) in cash or cash equivalents (A+ B+C)</b>	<b>(75.80)</b>	<b>116.98</b>
Cash and cash equivalents at the beginning of the year	141.30	24.32
<b>Cash and cash equivalents at the end of the period (Refer note 5)</b>	<b>65.50</b>	<b>141.30</b>

Significant accounting policies and other accompanying notes (1-29) are an integral part of financial statements

As per our report on even date.

For R. Kothari & Co. LLP

Chartered Accountants

Firm Registration No.: 307069E/E300266

CA. Kailash Chandra Soni

Partner

Membership No.: 057620



Place : Kolkata

Date: 23rd May, 2023

For and on behalf of the Board of Directors

Somesh Dasgupta

Director

DIN: 01298835

Argha Ghosh

Director

DIN: 09038856

MP Smart Grid Private Limited  
Statement of change in equity for the period ended 31st March, 2023

A. Equity Share Capital

(Rs in lakhs)

Balance as at 1st April, 2022	Changes in equity share capital due to prior period	Restated balance as at 1st April, 2022	Changes in equity share capital during the period	Balance as at 31st March, 2023
10.00	-	-	-	10.00

Balance as at 1st April, 2021	Changes in equity share capital due to prior period	Restated balance as at 1st April, 2021	Changes in equity share capital during the year	Balance as at 31st March, 2022
10.00	-	-	-	10.00

B. Other Equity

(Rs in lakhs)

Particulars	Reserve and Surplus	
	Retained Earnings	Total
Balance as at 1st April, 2021	72.46	72.46
Total Comprehensive Income for the period	6.44	6.44
Balance as at 31st March, 2022	78.90	78.90
Total Comprehensive Income for the period	0.08	0.08
Balance as at 31st March 2023	78.98	78.98

Significant accounting policies and other accompanying notes (1-29) are an integral part of financial statements

As per our report on even date.

For R. Kothari & Co. LLP

Chartered Accountants

Firm Registration No.: 307069E/E300266

CA. Kailash Chandra Soni

Partner

Membership No.: 057620

Place : Kolkata

Date: 23rd May, 2023



For and on behalf of the Board of Directors

Somesh Dasgupta

Director

DIN: 01298835

Argha Ghosh

Director

DIN: 09038856

**1 Corporate Information**

MP Smart Grid Private Limited was incorporated in India on 31st May 2020 under the Companies Act, 2013 (18 of 2013). The company is a wholly owned subsidiary of India Power Corporation Limited (the Holding Company). The company has entered into a Turnkey contract under Integrated Power Development Scheme (IPDS) of Govt. of India (GOI) on Partial OPEX Model for "Design, Supply, Installation, Testing, Commissioning, Reading, Analysis and 5 years Operation and Maintenance of Smart Meters, AMI System & Communication Infrastructure with a network platform in selected Towns viz. Ujjain, Dewas, Ratlam, Mhow and Khargone. The Initial contract period was 7.5 years (90 months) which has been extended to 8 years (96 months) consisting of 3 years of Execution period (i.e for 36 months) and 5 years of Operation and Maintenance contract period (i.e of 60 months).

**2 Significant Accounting Policy**

**a) Basis of Preparation**

- i) The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015]
- ii) The financial statements are presented in Indian Rupees (₹) which is the Company's functional and presentation currency. All financial information presented in ₹ has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.
- iii) The financial statements have been prepared on historical cost conventional on accrual basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost convention is generally based on fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**b) Revenue Recognition**

Company's revenue arise from supply and installation services and other income. Revenue from other income comprises interest from bank.

**Revenue from supply and installation services**

Revenue is measured based on the consideration that is specified in a contract with the customer or is expected to be received in exchange for the product or services. The company recognizes revenue when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the product or services is transferred to a customer.

The company applies judgement to determine whether each product or services promised to a customer are capable of being distinct and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand alone selling price. Rebate and discount, if any, are recognised as deduction from revenue on the basis of management estimates

**Interest Income**

Interest income is recognised, when no significant uncertainty as to measurability or collectibility exist, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest method (EIR)

**c) Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the statement of profit and loss using the effective interest method except to the extent attributable to qualifying Property Plant & Equipment (PPE) which are capitalised to the cost of the related assets, if any. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

**d) Investment & other Financial Assets**

**Financial Assets**

**Initial Recognition & Measurement**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured

initially at fair value adjusted for transaction costs, directly attributable to the acquisition or issue of financial instrument.

**Subsequent Measurement**

Financial assets at amortized cost – the financial instrument is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model.

*De-recognition of financial assets*

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial Liabilities**

*Initial Recognition & Measurement*

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

*Subsequent Measurement*

Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. These liabilities include borrowings and deposits.

*De-recognition of financial liabilities*

A financial liability is de-recognized 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 recognized in the statement of profit or loss.

**e) Offsetting of financial instruments**

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

**f) Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**g) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

• Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed in the financial statement by way of notes to account when an inflow of economic benefit is probable.

**h) Earning per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**i) Income Taxes**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes, if any, are calculated using the liability method. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.



j) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

As asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- It is held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least for at lease twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within month after the reporting period

or

There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current

k) **Related party transaction**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transaction

3 **Critical accounting judgements, assumptions and key sources of estimation and uncertainty**

The preparation of the financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgements and the use of assumptions in the financial statements have been disclosed below. The key assumptions and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have also been discussed below:-

a) **Income taxes**

Significant judgments is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes Accordingly, such provision has been made considering concession/allowances including those based on expert advice/judicial pronouncements.

b) **Impairment loss on trade receivables**

The company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The company bases the estimates on the ageing of the trade receivables balance, credit worthiness of the trade receivables .





4 Current financial assets - Trade Receivables

Particulars	(Rs in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Billed		
Considered good - Unsecured	880.25	421.37
Less: Allowance for bad and doubtful debt	-	-
<b>Total</b>	<b>880.25</b>	<b>421.37</b>

4 Current financial assets - Trade Receivables Ageing Schedule (Contd.)

Particulars	Outstanding for the following period from the due date of payment						Total
	Not due	Less than 6 months	6months-1 year	1 - 2 years	2-3 years	More than 3 years	
<b>As at 31st March, 2023</b>							
Billed							
Undisputed trade receivables - considered good - unsecured	515.75	79.74	258.28	26.48	-	-	880.25
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>515.75</b>	<b>79.74</b>	<b>258.28</b>	<b>26.48</b>	<b>-</b>	<b>-</b>	<b>880.25</b>
<b>As at 31st March, 2022</b>							
Billed							
Undisputed trade receivables - considered good - unsecured	238.42	166.30	-	16.65	-	-	421.37
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>238.42</b>	<b>166.30</b>	<b>-</b>	<b>16.65</b>	<b>-</b>	<b>-</b>	<b>421.37</b>

4.1 Refer note 26 (A) for details with respect to credit risk.

5 Current financial assets - Cash and cash equivalents

Particulars	(Rs in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Balances with banks:		
Current Account	12.50	141.30
Other Bank Balance	53.00	-
<b>Total</b>	<b>65.50</b>	<b>141.30</b>

6 Other Current Assets

Particulars	(Rs in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
GST input	287.08	324.98
Prepaid expenses	1.90	8.78
<b>Total</b>	<b>288.98</b>	<b>333.76</b>



7 Equity share capital

(Rs in lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity Shares of ₹ 10 each	1,50,000	15.00	1,50,000	15.00
<b>Issued, subscribed &amp; fully paid up</b>				
Equity shares of ₹ 10 each	1,00,000	10.00	1,00,000	10.00
<b>Total</b>	<b>1,00,000</b>	<b>10.00</b>	<b>1,00,000</b>	<b>10.00</b>

7.1 The company has only one class of equity shares having a par value of ₹ 10 each. Each share has one voting right.

7.2 There is no movement of shares outstanding and amount of share capital as at 31st March 2022 and 31st March 2023

7.3 The Company is a wholly owned subsidiary of India Power Corporation Limited (IPCL), entire equity share capital being held by IPCL and its Nominees.

7.4 Details of Shareholders holding more than 5% of equity shares each, are set out below:

(Rs in lakhs)

Name of Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% held	No. of Shares	% held
India Power Corporation Ltd (along with its nominees)	1,00,000	100%	1,00,000	100%

7.5 Details of Shareholding of Promoters

(Rs in lakhs)

Promoter name	As at 31st March, 2023			As at 31st March, 2022		
	No. of Shares	% held	% change during the year	No. of Shares	% held	% change during the period
India Power Corporation Ltd (along with its nominees)	1,00,000	100%	-	1,00,000	100%	-

8 Other Equity

(Rs in lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
<b>Retained Earnings</b>				
Balance at the beginning of the year		78.90		72.46
Surplus as per statement of profit and loss for the year		0.08		6.44
Balance at the end of the year		<b>78.98</b>		<b>78.90</b>

8.1 Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the company



9 Current Financial Liabilities - Borrowings

(Rs in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<u>Unsecured</u>		
Loan from Related Parties - Inter corporate deposit*	400.00	400.00
<b>Total</b>	<b>400.00</b>	<b>400.00</b>

\* Repayable on or before 31.03.2024

10 Current Financial Liability - Trade payable

(Rs in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
1) Total outstanding dues of micro enterprises and small enterprises (Refer Note 21)	365.90	49.08
2) Total outstanding dues of creditors other than micro enterprises and small enterprises	377.66	377.66
<b>Total</b>	<b>743.56</b>	<b>426.74</b>

10 Current Financial Liability -Ageing for Trade payable (contd.)

(Rs in lakhs)

Particulars	Outstanding for the following period from the due date of payment					Total
	Not Due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
<u>As at 31st March, 2023</u>						
MSME	365.90	-	-	-	-	365.90
Others	-	307.30	70.36	-	-	377.66
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>365.90</b>	<b>307.30</b>	<b>70.36</b>	<b>-</b>	<b>-</b>	<b>743.56</b>
<u>As at 31st March, 2022</u>						
MSME	49.08	-	-	-	-	49.08
Others	307.30	70.36	-	-	-	377.66
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>356.38</b>	<b>70.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>426.74</b>

Where due date of payment is not available, date of transaction has been considered.

11 Current Financial Liability - Other financial liabilities

(Rs in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued	65.12	18.32
<u>Others</u>		
Liabilities for expenses	14.98	9.10
<b>Total</b>	<b>80.10</b>	<b>27.42</b>

12 Other Current Liabilities

(Rs in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<u>Others</u>		
Statutory Dues payable	13.87	11.67
<b>Total</b>	<b>13.87</b>	<b>11.67</b>



13 Revenue from operations

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Supply of Meters & Installation services	2,386.39	2,816.19
<b>Total</b>	<b>2,386.39</b>	<b>2,816.19</b>

14 Other Income

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income on fixed deposits	0.41	0.16
Miscellaneous income	0.93	-
<b>Total</b>	<b>1.34</b>	<b>0.16</b>

15 Cost of Material Consumed & Installation services

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cost of Meters & Installation services	2,274.31	2,737.44
<b>Total</b>	<b>2,274.31</b>	<b>2,737.44</b>

16 Finance cost

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest on Inter Corporate Deposit	52.00	21.59
Interest on others	0.39	0.40
Loan application fees	3.00	2.95
<b>Total</b>	<b>55.39</b>	<b>24.94</b>

17 Other Expenses

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Commission charges	25.98	25.98
Professional Charges	1.79	0.37
Rates & Taxes	1.16	0.03
Auditor's Remuneration		
-Statutory Audit Fees	1.00	1.00
-Tax audit fee	0.50	0.50
- For certification	1.50	1.50
Director's Fee	0.60	0.40
Insurance expenses	15.40	15.45
Telecom Expenses	9.88	-
Miscellaneous expenses	0.02	0.04
<b>Total</b>	<b>57.83</b>	<b>45.27</b>



## 18 Taxes

a) The major components of income tax expenses for the period are as under

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Income tax recognised in the statement of Profit and Loss		
Current tax:		
- Current period	0.12	2.26
- Deferred tax	-	-
Total income tax expenses recognised in the statement of profit and loss	0.12	2.26

b) Reconciliation of tax expenses

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before tax	0.20	8.70
Statutory income tax rate of 25.168%	0.05	2.19
Add: Non Deductible expenses for tax purpose	-	-
Add/(less) Others	0.07	0.07
At effective income tax rate	0.12	2.26
Income tax expenses recognised in the statement of profit and loss	0.12	2.26

## 19 Earning per equity Share

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit/(Loss) after tax	0.08	6.44
No. of equity shares outstanding	1,00,000	1,00,000
Earning per share (Basic & Diluted) (in Rs)	0.08	6.44
Face value per equity share (in Rs)	10	10

## 20 Contingent liabilities

(Rs in lakhs)

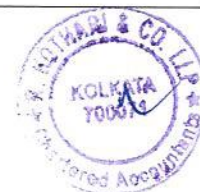
Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract Performance Guarantee given to M/s Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd by a Public Financial Institution . Since the Contract has been assigned by India Power Corporation Limited to the company, as per the terms of Agreement dated 11th June 2020 the company has given Counter Guarantee to the said Public Financial Institution on behalf of the Company as per the modified sanction terms dated 28th August, 2020.	2,597.69	2,597.69

## 21 Dues to Micro and Small Enterprise

The details of amount outstanding to micro and small enterprises as defined under Micro Small and Medium Enterprise Development Act, 2006 (MSMED Act) based on information available with the Company are given below:

(Rs in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) the principal amount remaining unpaid to any supplier at the end of the period	365.90	49.08
b) the amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day	-	-
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d) the amount of interest accrued and remaining unpaid	-	-
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-



22 Related party Disclosures

Related parties have been identified in terms of Ind AS 24 on "Related Party Disclosure" as listed below :

Name of the related Party	Relationship
India Power Corporation Limited	Holding Company
Mr. Somesh Dasgupta	Director
Mr. Argha Ghosh	Director
Mr. Asok Kumar Goswami (resigned w.e.f. 29/10/2021)	Director
Mr. Debi Prasad Patra (appointed w.e.f. 23/07/2021)	Director
IPCL Pte Limited	Fellow Subsidiary
Parmeshi Energy Limited	Fellow Subsidiary
India Uniper Power Services Private Limited	Joint Venture of India Power Corporation Ltd
Arka Energy B.V.	Joint Venture of IPCL Pte. Ltd
Arkeni Solar sh.p.k	Wholly owned subsidiary of Arka Energy B.V

Transaction during the period with related parties

(Rs in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Loan taken</b>		
India Power Corporation Limited	-	750.00
<b>Loan repaid</b>		
India Power Corporation Limited	-	350.00
<b>Interest expenses</b>		
India Power Corporation Limited	52.00	21.59
<b>Supply</b>		
India Power Corporation Limited	-	675.41
<b>Sitting fees</b>		
Mr. Debi Prasad Patra	0.60	0.40
<b>Reimbursement against expenses</b>		

Details of amount due to or from Related parties

(Rs in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Loan taken</b>		
India Power Corporation Limited	400.00	400.00
<b>Interest payable</b>		
India Power Corporation Limited	65.12	18.32
<b>Payable for supply</b>		
India Power Corporation Limited	377.66	377.66
<b>Guarantee</b>		
India Power Corporation Limited (Contract Performance guarantee given to M/s Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd by IPCL on behalf of the company)	2,597.69	2,597.69

22.1 Transactions with the related parties are made on normal commercial terms and conditions and at market rates



23 Fair Value Measurements

Fair value of financial assets and liabilities measured at amortized cost

(Rs in lakhs)

	As at 31st March, 2023		As at 31st March, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Trade Receivables				
Cash and Cash Equivalents	880.25	880.25	421.37	421.37
<b>Total Financial Assets</b>	65.50	65.50	141.30	141.30
<b>Financial Liabilities</b>	945.75	945.75	562.67	562.67
Borrowings				
Trade Payables	400.00	400.00	400.00	400.00
Other financial liabilities	743.56	743.56	426.74	426.74
<b>Total Financial Liabilities</b>	80.10	80.10	27.42	27.42
	1,223.66	1,223.66	854.16	854.16

23.1 The carrying amount of current trade receivables, cash and cash equivalents, trade payables, borrowings and other financial liabilities are considered to be the same as their fair values due to their short term nature

24 Ratios

Ratios	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	% Variance	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.07	1.10	-3%	
Debt-equity ratio	Total Long term debt	Shareholder's Equity	-	-	-	
Debt service coverage ratio	Earning Before Interest & Taxes	Interest on long term debt + Principal repayment of long term debt	-	-	-	
Return on equity ratio	Net Profit after Tax	Average shareholder's Equity	0.09%	7.52%	-99%	Increase in finance cost & operational expenses
Inventory turnover ratio	Cost of Goods Sold or sales	Average Inventory	-	-	-	
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	3.67	5.79	-37%	Increase in Trade receivables & fall in revenue
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payable	3.89	5.22	-26%	Decrease in creditor payout
Net capital turnover ratio	Net Sales	Working Capital	26.82	31.68	-15%	
Net profit ratio	Net Profit	Net Sales	0.00%	0.23%	-99%	Increase in finance cost & operational expenses
Return on capital employed	Earning Before Interest & Taxes	Capital Employed	10.68%	6.20%	72%	Increase in earnings before interest & taxes
Return on investment	Income generated from investments	Time weighted average investments	-	-	-	



25 Financial Risk Management

The company's principal financial liabilities comprises trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operation. The company's principal financial assets include trade receivable and cash and cash equivalents that derive directly from its operations. The company expose to the following risk from its use of financial instruments:-

(A) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the company. Credit risk arises principally from Trade receivables .

Trade Receivables:- The company earns its revenue from government controlled entities. As these entities are government controlled, the counter party risk attached to such receivables are considered to be insignificant

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

**Maturities of Financial Liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Upto 6 month	6 months to 12 months
<u>As at 31st March, 2023</u>		
Interest bearing Borrowings		
- principal		400.00
- Interest		65.12
Trade Payables	743.56	
Other financial liabilities	14.98	
<b>Total Financial liabilities</b>	<b>758.53</b>	<b>465.12</b>

Contractual maturities of financial liabilities	Upto 6 month	6 months to 12 months
<u>As at 31st March, 2022</u>		
Interest bearing Borrowings		
- principal		400.00
- Interest		18.32
Trade Payables	426.74	
Other financial liabilities	9.10	
<b>Total Financial liabilities</b>	<b>435.84</b>	<b>418.32</b>

26 Capital Management

Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.





27 Additional Regulatory information required by schedule III to the Companies Act, 2013

- i. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transaction Prohibition Act, 1988 (45 of 1988) and Rules made thereunder.
  - ii. The Company has not been declared willful defaulter by any bank or financial institution or any other lender.
  - iii. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - iv Utilisation of borrowed funds and share premium
    - I. The Company have not advanced or loaned or invested funds to any other person or entity, 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.
    - II. The Company have not received any fund from any person or entity, 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.
  - v The Company does not have any 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).
  - vi The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies, Act, 2013 read with Companies(Restriction of number of layes) Rules, 2017.
  - vii. Provisions relating to Corporate Social Responsibility Expense is not applicable to the Company.
  - viii. The Company does not have any transactions with companies struck off.
- 28 The confirmation from certain parties in respect of Contract Performance Guarantee are awaited. The management is of view that there is no material impact on the profitability for the same.
- 29 These financial statements has been approved and adopted by Board of Directors of the Company in their meeting dated 23rd May, 2023 for issue to the Shareholders for their adoption.

As per our report on even date.

For R. Kothari & Co. LLP  
Chartered Accountants  
Firm Registration No.: 307069E/E300266

CA. Kailash Chandra Soni  
Partner  
Membership No.: 057620

Place : Kolkata  
Date: 23rd May, 2023



For and on behalf of the Board of Directors

Somesh Dasgupta  
Director  
DIN: 01298835

Argha Ghosh  
Director  
DIN: 09038856