

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE KODY TECHNOLAB LIMITED**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the accompanying financial statements of The KODY TECHNOLAB LIMITED which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Accounting Standards prescribed under the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and its cash flows 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 specified under section 143(10) of the Act (SAs). 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 thereunder, 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 audit 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 and Analysis, Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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



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

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are 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 material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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**

1. As required by Section 143(3) of the Act, based on our audit 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.



- d) In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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:
- i. The Company did not have any pending litigations which impact its financial position in its financial statements;
  - ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses;
  - iii. There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - 1 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.
    - 2 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, 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; and
    - 3 Based on the audit procedures conducted by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatements.



- v. The Company has not declared or paid any dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For KHANDHAR & ASSOCIATES**  
**(Chartered Accountants)**  
**FRN.: 118940W**



**CA. VIPUL B. KHANDHAR**  
**(Partner)**  
**Membership No.105986**  
**UDIN:**  
**23105986BGTKJW3429**  
**Date: 15/05/2023**



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The KODY TECHNO LAB LIMITED of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **KODY TECHNO LAB LIMITED** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 respective 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the 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 of the Company.

#### **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 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.


### **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, to the best of our information and according to the explanations given to us, 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, 2023, 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 KHANDHAR & ASSOCIATES**  
**(Chartered Accountants)**  
**FRN.: 118940W**

  
**CA. VIPUL B. KHANDHAR**  
**(Partner)**  
**Membership No.105986**  
**UDIN:**  
**23105986BGTKJW3429**  
**Date: 15/05/2023**



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The KODY TECHNOLAB LIMITED of even date)**

- i. In respect of the Company's fixed assets:
  - a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(2) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company.
  - d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
  - e) According to the information and explanation given to us, the Company has no proceedings pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. The Company doesn't have any inventories. Consequently, requirements of clause (ii) of paragraph 3 of the order are not applicable.
- iii. According to the information and explanations given to us, the Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 or 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed





thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vi. The Company is not required to maintain cost records under section 148 (1) of the Act. Consequently, requirements of clause (vi) of paragraph 3 of the order are not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no disputed demands which have not been deposited as on March 31, 2023.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. In our opinion and according to the information and explanations given to us, in respect of Company's Borrowings:
  - a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - b) The Company is not a declared willful defaulter by any bank or financial institution or other lender.
  - c) The Company has not obtained any term loans during the year.
  - d) The funds raised on short term basis have not been utilized for long term purposes.
  - e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
  - f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- x. In our opinion and according to the information and explanations given to us, the Company has not raised funds by way of initial public offer or further public offer (including debt instruments) or preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Consequently, the requirements of clause (x) of paragraph 3 of the order are not applicable.
- xi. In respect of fraud by the Company or on the Company:
  - a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.



- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) There have been no whistle-blower complaints received during the year by the Company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed as required by the applicable Accounting Standard AS-18 Related Party Disclosures.
- xiv. Based on information and explanations provided to us, the Company does not require to have an internal audit system.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order are not applicable.
- b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and (d) of the Order are not applicable.
- xvii. According to the information and explanations given to us, the Company has not incurred cash losses in current and immediate preceding financial year.
- xviii. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, 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 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.



- xx. In respect of the Company's Corporate Social Responsibility (CSR);, The Company is not required spent any amount on CSR. Accordingly, clauses 3(x) of the Order are not applicable.

**For KHANDHAR & ASSOCIATES**  
**(Chartered Accountants)**

**FRN.: 118940W**



**CA. VIPUL B. KHANDHAR**  
**(Partner)**

**Membership No.105986**

**UDIN:23105986BGTKJW3429**

**Date: 15/05/2023**




KODY TECHNO LAB LIMITED (FORMERLY KNOWN AS " KODY TECHNO LAB PRIVATE LIMITED")

BALANCESHEET AS ON 31/03/2023

Particulars	Note to Annexure V	(Rs in Lakhs)	
		As at March 31, 2023	As at March 31, 2022
<b>Equity and Liabilities</b>			
<b>1. Shareholder's fund</b>			
a) Equity share capital	1	345.36	1.00
b) Reserves and surplus	2	121.77	(86.05)
<b>Total equity</b>		<b>467.13</b>	<b>(85.05)</b>
<b>2. Non-current liabilities</b>			
a) Long term borrowings	3	706.81	161.47
b) Other Non-Current Liabilities	4	29.91	-
c) Deferred tax liabilities (Net)			
<b>Total Non-current liabilities</b>		<b>736.72</b>	<b>161.47</b>
a) Short term borrowing	6	39.97	-
b) Trade payables	7	-	-
- Total outstanding dues of micro enterprises and small enterprises			
- Total outstanding dues of creditors other than micro enterprises and small enterprises		21.99	72.77
c) Other current liabilities	8	60.21	89.09
d) Short term provisions	9	125.71	-
<b>Total current liabilities</b>		<b>247.87</b>	<b>-</b>
<b>Total Equity and liabilities</b>		<b>1,451.73</b>	<b>161.86</b>
<b>Assets</b>			<b>238.28</b>
<b>1. Non-Current assets</b>			
a) Property, plant and equipments	10	677.83	13.90
b) Long-term loans and advances	11	38.08	-
c) Deferred tax Assets(Net)	5	9.09	8.23
<b>Total Non-current assets</b>		<b>725.00</b>	<b>22.13</b>
<b>2. Current assets</b>			
a) Inventories	12	-	-
b) Trade receivables	13	654.04	171.99
c) Cash and bank balances	14	10.02	16.36
d) Short term loans & advances	15	54.60	21.80
e) Other current assets	16	8.07	6.00
<b>Total current assets</b>		<b>726.73</b>	<b>6.00</b>
<b>Total Assets</b>		<b>1,451.73</b>	<b>238.28</b>

The above statement should be read with Basis of Preparation and the Significant Accounting Policies, As per our report of even date attached.

For and on behalf of  
KHANDHAR & ASSOCIATES  
Chartered Accountants  
FRN: 118940W

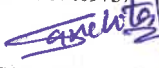
  
VIPUL B. KHANDHAR  
Partner  
Membership No: 105986  
UDIN: 23105986BGTKJW3429



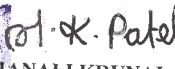
DATE: 15/05/2023  
PLACE: AHMEDABAD


For and on behalf of board of directors  
KODY TECHNO LAB LTD  
CIN: U72900GJ2017PLC097244

  
MANAV SUBHASH CHANDRA  
PATEL  
Managing Director  
DIN: 07409757

  
SANCHITA OJHA  
Company Secretary



  
MANALI KRUNAL PATEL  
Director  
DIN: 07792457

  
SANJAY KIDECHA  
Chief Financial Officer

**KODY TECHNOLAB LIMITED (FORMERLY KNOWN AS " KODY TECHNOLAB PRIVATE LIMITED")**

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31/03/2023**

(Rs in Lakhs)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue:</b>			
Revenue from operations	17	1,095.24	384.01
Other income	18	13.87	0.19
<b>Total Revenue</b>		<b>1,109.11</b>	<b>384.20</b>
<b>Expenses:</b>			
Cost of technical sub contractor	19	47.79	6.07
Travel expenses	20	26.07	0.84
Employee benefit expenses	21	498.31	249.86
Finance costs	22	18.34	-
Depreciation & amortisation cost	10	9.59	9.93
Other expenses	23	96.79	47.38
<b>Total Expenses</b>		<b>-</b>	<b>-</b>
Exceptional items		696.89	314.08
<b>Net Profit before Tax</b>		<b>412.22</b>	<b>70.12</b>
<b>Less: Provision for Tax</b>			
(a) Current Tax		121.19	-
(b) Deferred Tax		(0.86)	(1.43)
(b) Short/Excess Tax provision for earlier periods		-	-
<b>Total</b>		<b>120.33</b>	<b>(1.43)</b>
<b>Net Profit / (Loss) for the period after tax but before extra ordinary items</b>		<b>291.89</b>	<b>71.55</b>
Extraordinary Items		-	-
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>		<b>291.89</b>	<b>71.55</b>
<b>Earning Per Share:*</b>			
- Basic		8.45	715.50
- Diluted		8.45	715.50

The above statement should be read with Basis of Preparation and the Significant Accounting Policies As per our report of even date attached

For and on behalf of  
**KHANDHAR & ASSOCIATES**  
Chartered Accountants  
FRN: 118940W

*V.B.K.*



**VIPUL B. KHANDHAR**  
Partner  
Membership No: 105986  
UDIN:- 23105986BGTKJW3429

DATE: 15/05/2023  
PLACE: AHMEDABAD

For and on behalf of board of directors  
**KODY TECHNOLAB LTD**  
CIN: U72900GJ2017PLC097244

*m.s. patel*  
MANAV SUBHASHCHANDRA PATEL  
Managing Director  
DIN: 07409757

*cr. k. Patel*  
MANALI KRUNAL PATEL  
Director  
DIN: 07792457



*Sanchita*  
SANCHITA OJHA

Company Secretary

*Sanjay Kidecha*  
SANJAY KIDECHA

Chief Financial Officer

**KODY TECHNOLAB LIMITED (FORMERLY KNOWN AS " KODY TECHNOLAB PRIVATE LIMITED")**

**CASHFLOW STATEMENT FOR THE YEAR ENDED ON 31/03/2023**

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Net profit before tax		70.12
Adjustments for :	412.22	
Depreciation		9.93
Interest income	9.59	
Finance cost	2.64	
	18.34	
<b>Operating profit before working capital adjustment</b>	<b>442.79</b>	<b>80.05</b>
<b>Adjustment for changes in working capital</b>		
Trade and other payable		72.77
Other current liabilities	(50.78)	
Other Short term Loans & Advances	(28.88)	89.09
Trade and other receivables	(32.80)	(21.80)
Changes in inventories	(482.05)	(171.99)
Long-term loans & advances	-	-
Short term provision	(38.08)	-
Other current assets	125.71	-
	3.91	1.75
<b>Cash flow generated from operations</b>	<b>(60.19)</b>	<b>49.87</b>
Direct taxes paid		
	(121.19)	-
<b>Net cash flow from operating activities (A)</b>	<b>(181.37)</b>	<b>49.87</b>
<b>Cash flow from investing activities</b>		
Sale of fixed assets		-
Interest received		-
Purchase of building and plant and machinery	(2.64)	-
	(674.21)	(12.16)
<b>Net Cash flow from Investing activities (B)</b>	<b>(676.85)</b>	<b>(12.16)</b>
<b>Cash flow from financing activities</b>		
Proceed from short term borrowings	39.97	-
Proceed from long term borrowings	545.34	161.47
Proceed from subscription of equity	260.20	
Finance cost	(18.34)	
<b>Net cash flow From financing activities (C)</b>	<b>827.17</b>	<b>161.47</b>
Increase/(Decrease) in cash and cash equivalents (A+B+C)	(31.06)	199.18
Cash and cash equivalent at the beginning of the year	62.27	(136.91)
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>31.22</b>	<b>62.27</b>

- 1 The Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows.
2. Figures in brackets represent outflow of cash and cash equivalents.
3. The above statement should be read with Basis of Preparation and the Significant Accounting Policies

As per our report of even date attached

For and on behalf of  
KHANDHAR & ASSOCIATES  
Chartered Accountants  
FRN: 118940W

VIPUL B. KHANDHAR  
Partner  
Membership No: 105986  
UDIN:-23105986BGTKJW3429

DATE: 15/05/2023  
PLACE: AHMEDABAD

For and on behalf of board of directors  
KODY TECHNOLAB LTD  
CIN: U72900GJ2017PLC097244

MANAV SUBHASHCHANDRA PATEL  
Managing Director  
DIN: 07409757

SANCHITA OJHA  
Company Secretary

MANALI KRUNAL PATEL  
Director  
DIN: 07792457

SANJAY KIDECHA  
Chief Financial Officer



## TAX COMPUTATION STATEMENT

(Rs in Lakhs)

Particulars	March 31, 2023	March 31, 2022
<b><u>Tax Rates</u></b>		
Income tax rate (%)	25.00%	25.00%
Surcharge	7.00%	7.00%
Income tax plus surcharge	26.75%	26.75%
Education cess	4.00%	4.00%
Income tax rate (%)	<b>27.82%</b>	<b>27.82%</b>
Minimum alternate tax rate (%)	15.00%	15.00%
Education cess	4.00%	4.00%
Minimum alternate tax rate (%)	<b>15.60%</b>	<b>15.60%</b>
Income from business or profession		
Profit before tax as per books (B)	412.22	70.12
Timing differences		
Depreciation as per Companies Act	9.59	9.93
Less : Depreciation as per I. Tax	7.63	7.91
Add: Gratuity Expense Provision	34.43	-
Less: earlier year loss set off	13.00	72.14
Total timing differences (C)	23.39	-70.12
Permanent differences		
Add : Others	0.00	0.00
Total permanent differences (D)	0.00	0.00
<b>Taxable income (E) = (B+C+D)</b>	<b>435.61</b>	<b>0.00</b>
<b>Net taxable Income</b>	<b>435.61</b>	<b>0.00</b>
Income tax on above	121.19	0.00
Book profit for MAT	412.22	70.12
MAT on book profit	64.31	10.94
<b>Tax paid as per normal rates</b>	<b>121.19</b>	<b>0.00</b>
Add: Interest	0.00	0.00
Tax paid as per returns*	0.00	0.00
Difference	121.19	0.00
Payable/ (Refundable)*	<b>121.19</b>	<b>0.00</b>



**KODY TECHNOLAB LIMITED (FORMERLY KNOWN AS " KODY TECHNOLAB PRIVATE LIMITED")**

**NOTES TO ACCOUNTS**

(Rs in Lakhs)

**1 Equity share capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital*</b>		
5000000 Equity Share of Rs. 10 Each	500.00	1.00
	<b>500.00</b>	<b>1.00</b>
<b>Issued subscribed &amp; paid up share capital*</b>		
Share capital at the beginning of the year	1.00	1.00
Share capital Issued during the year	342.73	-
Bonus Shares issued [Note 3(c)]	1.63	-
<b>Total</b>	<b>345.36</b>	<b>1.00</b>

Note :

- The Company has increased its authorized share capital to 50,00,000 shares at the Board Meeting held on 27/02/2023.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held at the company.
- The Shareholders have all other rights as available to equity shareholders as per the provisions of The Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

**(b) The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Equity Shares</b>		
Shares outstanding at the beginning of the year (Nos)	10,000	10,000.00
Shares issued during the year	34,43,640	-
<b>Shares Outstanding at the end of the period</b>	<b>34,53,640</b>	<b>10,000</b>
<b>Equity Shares Capital</b>		
Share Capital outstanding at the beginning of the year (Rs in Lakhs)	1.00	1.00
Share Capital raised during the year	344.36	-
<b>Shares Capital Outstanding at the end of the period</b>	<b>345.36</b>	<b>1.00</b>

**(c) Name of Equity Shareholders holding more than 5% equity shares**

Name of shareholders	No. of Shares held
<b>Mr Manav Subhashchandra Patel</b>	
March 31, 2023	31,03,996
March 31, 2022	4,500
<b>Mrs. Manali Krunal Patel</b>	
March 31, 2023	1,74,820
March 31, 2022	1,500
<b>Mrs. Pooja Sunny Patel</b>	
March 31, 2023	1,74,820
March 31, 2022	2,000
<b>Ms. Mansi Subhaschandra Patel</b>	
March 31, 2023	-
March 31, 2022	2,000
<b>Total</b>	
March 31, 2023	34,53,636
March 31, 2022	10,000





(d) Shares held by promoters at the end of the year March , 2023

Name of Promoter		
Mr Manav Subhashchandra Patel		
March 31, 2023		
March 31, 2022		31,03,996.00
Mrs. Manali Krunal Patel		4,500.00
March 31, 2023		
March 31, 2022		1,74,820.00
Mrs. Pooja Sunny Patel		1,500.00
March 31, 2023		
March 31, 2022		1,74,820.00
Ms. Mansi Subhashchandra Patel		2,000.00
March 31, 2023		
March 31, 2022		-
TOTAL SHARE		2,000.00
March 31, 2023		
March 31, 2022		34,53,636.00
		10,000.00

(d) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

(e) No dividend is declared by the Company during the year ended on March 31, 2023 and the year ended on March 31, 2022

2 Reserves and Surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
Opening balance		
Profit during the year	(86.05)	(157.60)
Add: security premium	291.89	71.55
Less: Bonus share issued	244.02	-
Less: Gratuity Provision of earlier year	(328.09)	-
Total	121.77	(86.05)

3 Long-term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
(Secured Loans)		
Term loan (Refer note a below)		
Less: Current Maturities	603.75	
	39.97	
	563.78	
(Unsecured Loans)		
Loan from related parties	143.03	161.47
Total	706.81	161.47

Above secured loans includes interest accrued and not due.

Term loans : The Company has availed term loan from public financial institution under the various arrangement with interest.

Terms of repayment for secured loans

Particulars	Amount Sanctioned	Tenor (Months)
Term Loan	623.00	120

Details of Security :Corporate guarantee from M/S Arvind Anticor ltd & property purchased 1301 & 1302 satymev elite, Bopal, ah

Rate of Interest: 8.50 % p.a having monthly EMI Rs. 772431/- eqated 120 installment

Terms of repayment for unsecured loans

Unsecured loan from related parties are borrowed at interest cost and are repayable on demand.

4 Other Non Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Gratuity payable		
Restatement Adjustment	29.91	-
Closing Balance	29.91	-



5 Deferred tax Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning		2.01
Add/(Less) : On account of Depreciation in Plant & Machinery	8.23	
Closing Balance	9.09	6.22
		8.23

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

6 Short term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
(Secured)		
- Current maturities of long term debts		
Bank Cash Credit	39.97	-
Total	39.97	-

Terms of Working capital demand facility:

1. Primary Security: Hypothecation of Plant and Machinery, Stock and Book Debts.
2. Guarantee: Personal Guarantee from directors of the Company

7 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises (Refer note below)		
- Total outstanding dues other than micro enterprises and small enterprises	21.99	72.77
Total	21.99	72.77

The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, and the same is relied upon by us. We have been given information about bifurcation of creditors by management, same is incorporated and as per management there are no dues to micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date.

Ageing of Trade Payables

March 31, 2023

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(I) micro enterprises and small enterprises				
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	21.56	0.03		0.40
(III) Disputed Dues MSME	-	-	-	-
(IV) Disputed Dues-Others	-	-	-	-
Total	21.56	0.03	-	0.40

March 31, 2022

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(I) micro enterprises and small enterprises				
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	26.07	6.21	21.20	19.29
(III) Disputed Dues MSME				
(IV) Disputed Dues-Others				
Total	26.07	6.21	21.20	19.29



## 8 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Remittances		
Employee Related Duties	14.47	11.72
Provision for Audit Fees	20.51	32.68
Advance from customers	2.36	-
Rent deposit	6.22	44.69
<b>Total</b>	<b>60.21</b>	<b>89.09</b>

## 9 Short term provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits	-	-
Gratuity payable within one year	4.52	-
Income Tax Payable	121.19	-
<b>Total</b>	<b>125.71</b>	<b>-</b>

## 11 Long term loans and advances

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits		
<b>Total</b>	<b>38.08</b>	<b>-</b>

## 12 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Total</b>	<b>-</b>	<b>-</b>

## 13 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good	408.95	-
Unbilled revenue- Unsecured, Considered good	245.09	171.99
<b>Total</b>	<b>654.04</b>	<b>171.99</b>

Ageing for Trade receivables  
March 31, 2023

Particulars	Outstanding for following periods from due date of payment			
	Less than 6months	6months to 1year	1-2 years	More than 2 years
(i) Undisputed Trade receivables – considered good				
(ii) Unbilled receivable	377.80	12.04	2.60	16.51
<b>Total</b>	<b>622.89</b>	<b>12.04</b>	<b>2.60</b>	<b>16.51</b>

## March 31, 2022

Particulars	Outstanding for following periods from due date of payment			
	Less than 6months	6months to 1year	1-2 years	More than 2 years
(i) Undisputed Trade receivables – considered good				
<b>Total</b>	<b>163.19</b>	<b>1.73</b>	<b>-</b>	<b>21.15</b>

## 14 Cash and bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks :		
- Current accounts	3.10	8.03
Cash in hand	6.92	8.33
Other Bank Balances		
- Fixed Deposits		
<b>Total</b>	<b>10.02</b>	<b>16.36</b>



15 Short term loans & advances

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, Considered Good)		
Trade Advance	-	15.43
Employee related Advance	-	0.33
Differ tax	-	-
Others	-	-
-Balances with Revenue authorities	49.30	6.04
-Security Deposits	-	-
Sweep Transfer Deposit	5.30	-
<b>Total</b>	<b>54.60</b>	<b>21.80</b>

16 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits	-	6.00
IPO WIP	8.06	
Round off	0.01	
<b>Total</b>	<b>8.07</b>	<b>6.00</b>



**KODY TECHNOLAB LIMITED (FORMERLY KNOWN AS " KODY TECHNOLAB PRIVATE LIMITED")**

**DEPRECIATION SCHEDULE**

10 Property, plant and equipment Particulars	Tangible Assets (Rs in Lakhs)							Total Tangible Assets
	Equipments	Computers	Furniture & Fittings	Building	Intangible Assets (softwar e)	Gift City (WIP)		
<b>Gross carrying amount</b>								
As at April 01, 2022	17.13	27.41	0.48	-	-	-	-	45.02
Additions	2.26	2.23	0.75	608.37	0.17	60.43	-	674.21
Disposals	-	0.70	-	-	-	-	-	0.70
<b>As at March 31, 2023</b>	<b>19.39</b>	<b>28.94</b>	<b>1.23</b>	<b>608.37</b>	<b>0.17</b>	<b>60.43</b>	<b>-</b>	<b>718.53</b>
<b>Accumulated depreciation</b>								
As at April 01, 2022	9.72	21.25	0.15	-	-	-	-	31.12
Charge for the year	1.55	4.60	0.18	3.24	0.01	-	-	9.58
On disposals	-	0.01	-	-	-	-	-	0.01
<b>As at March 31, 2023</b>	<b>11.27</b>	<b>25.85</b>	<b>0.33</b>	<b>3.24</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>40.71</b>
<b>Net Block As on 31/03/2023</b>	<b>8.12</b>	<b>3.09</b>	<b>0.90</b>	<b>605.13</b>	<b>0.16</b>	<b>60.43</b>	<b>-</b>	<b>677.83</b>
<b>Gross carrying amount</b>								
As at April 01, 2021	13.87	18.51	0.48	-	-	-	-	32.86
Additions	3.26	8.90	-	-	-	-	-	12.16
Disposals	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>17.13</b>	<b>27.41</b>	<b>0.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45.02</b>
<b>Accumulated depreciation</b>								
As at April 01, 2021	5.93	15.16	0.10	-	-	-	-	21.19
Charge for the year	3.79	6.09	0.05	-	-	-	-	9.93
On disposals	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>9.72</b>	<b>21.25</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>7.41</b>	<b>6.16</b>	<b>0.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.90</b>



17 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	-	-
Sale of Service	-	-
-Software Development Income	354.14	92.50
-Software Development Income-export	496.01	291.51
-Software Development Income-unbilled revenue	245.09	-
<b>Total(Net)</b>	<b>1,095.24</b>	<b>384.01</b>

18 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on FDR	0.12	0.19
Interest on TDS	0.01	
Rent Income	11.10	
Provision Written Back	2.42	
a. The Company has increased its authorized share capital to 50,00,000	0.22	-
Round off	-	0.00
<b>Total</b>	<b>13.87</b>	<b>0.19</b>

19 Cost of technical sub contractor

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Professional Fees	11.26	6.07
Commission Paid	10.55	
Jobwork Expense	25.98	-
<b>Total</b>	<b>47.79</b>	<b>6.07</b>

20 Travelling expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Travelling Expenses	26.07	0.84
<b>Total</b>	<b>26.07</b>	<b>0.84</b>



21 Employee benefit expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries	457.55	243.99
Contribution to EPF & Other Funds	6.33	5.87
Gratuity Expense	34.43	-
<b>Total</b>	<b>498.31</b>	<b>249.86</b>

22 Finance cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Bank Charges	0.43	0.00
Interest On Loan	15.55	0.00
Loan Processing Charges	2.36	0.00
<b>Total</b>	<b>18.34</b>	<b>0.00</b>

23 Other Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment to statutory auditor (Refer note below)	4.38	0.57
Office Rent	26.10	24.30
Office Expense	9.59	0.00
Power & Fuel	1.11	3.32
Repair & Maintanance	5.35	9.99
Advertisement Expense	0.00	0.10
Printing & Stationery Expense	1.27	1.11
Professional Tax	0.00	0.00
Telephone Expense	0.31	0.31
Legal Fees	0.00	0.00
Miscellaneous expense	3.64	3.25
Rates & Taxes	3.90	3.63
Insurance Expense	11.65	0.00
Interest On Statutory Dues	7.22	0.00
Late Fees	0.49	0.00
Leap Fees exihibition	2.18	0.00
ROC Filing Fees	0.00	0.00
Admin Expense	19.60	0.00
Foreign Exchange Loss	0.00	0.80
<b>Total</b>	<b>96.79</b>	<b>47.38</b>

Payment to auditors

- Audit fees	2.28	0.57
- Other Matters	2.10	
<b>Total</b>	<b>4.38</b>	<b>0.57</b>



**Related Party Transactions**

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	Mar-23	Mar-22
<b>1. Director Remuneration</b>	Mr. Manav Subhashchandra Patel	120.00	-
	Mrs. Manali Krunal Patel	2.38	-
	Mrs. Pooja Sunny Patel	2.38	-
	Ms. Mansi Subhashchandra Patel	-	-
<b>2. Interest Paid</b>	Arvind Anticor Limited	3.10	-
<b>3. Unsecured Loan</b>	<b>Mr. Manav Subhashchandra Patel</b>		
	Opening Balance	160.08	148.99
	Add: Loan Received During the Year	311.42	71.80
	Less: Load Repaid During the year	442.53	60.71
	Closing Balance	<b>28.97</b>	<b>160.08</b>
	<b>Ms. Mansi Subhashchandra Patel</b>		
	Opening Balance	0.79	0.79
	Add: Loan Received During the Year	0.77	-
	Less: Load Repaid During the year	-	-
	Closing Balance	<b>1.56</b>	<b>0.79</b>

<b>Mrs. Pooja Sunny Patel</b>		
Opening Balance	0.60	0.60
Add: Loan Received During the Year	9.31	-
Less: Load Repaid During the year	-	-
Closing Balance	<b>9.91</b>	<b>0.60</b>

<b>Arvind Anticor Limited</b>		
Opening Balance	-	-
Add: Loan Received During the Year	104.25	-
Less: Load Repaid During the year	1.66	-
Closing Balance	<b>102.60</b>	-





**KODY TECHNOLAB LIMITED (FORMERLY KNOWN AS " KODY TECHNOLAB PRIVATE LIMITED")**

**Annexure IV- Basis of preparation and Significant Accounting Policies**

**Significant accounting policies**

**1 Company Overview**

M/s KODY TECHNOLAB LIMITED (FORMERLY KNOWN AS KODY TECHNOLAB PRIVATE LIMITED). Company incorporated on 5th Day of May 2017, having its registered office at LS NO.124, RAJPATH CLUB, NEAR SHIVALIK VILL, VILL. AMBLI, TAL DASKROI AHMEDABAD Ahmedabad GJ 380058 IN. Directors of the company are Mr.MANAV SUBHASHCHANDRA PATEL, Mrs. MANALI KRUNAL PATEL Mrs.POOJA SUNNY PATEL. The company is engaged in the business of software developer, appdeveloper & related service sector.

**Note: Significant accounting policies**

**a) Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include those on the useful life of assets, deferred taxes and provision for taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

**b) Current-non-current classification**

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- a. The Company has increased its authorized share capital to 50,00,000 shares at the Board Meeting held on 27/02/2023.
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purposes of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

**c) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all incidental costs related to acquisition and installation, other pre-operative costs and interest on borrowed funds, if any, used to finance the acquisitions of fixed assets and is capitalized up to the date the assets are ready for commercial use.

Depreciation is provided over the estimated useful life of the assets using written down value method. The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The new Companies Act prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for the different class of assets. Other assets are depreciated over their balance useful life.



**d) Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case

any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

**g) Cash and cash equivalents**

Cash equivalents represent highly liquid investments with remaining maturities, at the date of purchase/investment, of three months or less. As of the balance sheet date, the Company had no such investment. Cash and cash equivalents comprise of cash in hand and balance in bank accounts.

**h) Revenue recognition**

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue on time and material contracts are recognized as there lated services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Further, the company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

**i) Other operational revenue**

Other operational revenue represent income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

**j) Interest**

Interest income is recognized on a time proportion basis by considering the amount outstanding and rate applicable.

**Current tax**

Interest income is recognized on a time proportion basis by considering the amount outstanding and rate applicable.

**Deferred tax**

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

**Minimum Alternate Tax (MAT)**

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realized.

**o) Earnings per share**

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard - 20. The basic earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares outstanding during the period.

**p) Segment Reporting**

The Company operates in a single primary business segment . Hence, there are no reportable segment as per AS 17 Segment Reporting.

**q) Provisions and contingent liabilities**

The Company recognizes a provision when there is a present obligation arising from a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

