

**SARAT JAIN AND ASSOCIATES**

Chartered Accountants

C-99B, Sector 44, Gautam Buddha Nagar-201303 Uttar Pradesh

Phone 98-101-14873 , E-Mail : sarat.jain54@gmail.com

INDEPENDENT AUDITOR'S REPORT**TO,****SBEC STOCKHOLDING & INVESTMENT LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of SBEC STOCKHOLDING & INVESTMENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to

the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, thereto give, in the prescribed manner, the information required by the Act, give a true and fair view in conformity with the accounting principles generally accepted in India:

In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2023; and

In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.

In the case of the Statement of Cash Flow of the Cash Flow for the year ended on that date

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable to the company.

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

- We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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;

The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;


- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the Directors as on 31st March, 2023 taken on record by the Board of Directors, we report that none of directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164(2) of the Act.

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:

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- The company does not have any pending litigations which would impact its financial statements
- The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Sarat Jain & Associates
Chartered Accounts
FRN: 014793C


(Sarat Jain)

Partner

M. No. : 080216

UDIN: 23080216BG-UQMM4761

Place: New Delhi

Date: 26.05.2023



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of SBEC Stock Holding and Investment Limited)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) The Company has no Fixed Assets
 - (ii) The Company has no inventory.
 - (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act during the year.
 - (iv) In our opinion, the Company has not entered into any transaction covered under section 185 of the Act. In our opinion the Company has complied with the provision of section 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 section 73 to 76 or any other relevant provisions of the Companies Act and the 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 covered under the Rules made by the Central Government for maintenance of cost records, under section 148 (i) of the Companies Act.
 - (vii) According to the information and explanations given to us and records examined by us, the Company has generally been regular in depositing the undisputed statutory dues, including dues pertaining to Provident Fund, Employees' State Insurance, Income-tax, Service Tax, duty of Custom, duty of Excise, Value added Tax, Cess and other statutory dues, with the appropriate authorities. Though there has been slight delay in a few cases in Tax Deducted at Sources, Value Added Tax and Service Tax, Goods & Service Tax.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods & service tax, cess and other material statutory dues were in arrears as at 31 March 2023.
- (viii) The Company has not taken any loans or borrowings from any bank or financial institution except the Moderate Leasing & Capital Services Limited. The Company did not have any outstanding debentures during the year.

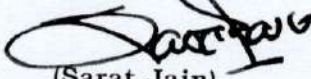


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There were no loans or borrowings taken from the government during the year.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has not paid any managerial remuneration and therefore, provisions of Section 197 of the Act read with Schedule V to the Act are not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered the transactions with the related parties in compliance with the Companies Act, 2013 and applicable accounting standard.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sarat Jain & Associates
Chartered Accountants
FRN: 014793C


(Sarat Jain)

Partner

M. No.: 080216

UDIN: 23080216BGUQMM4761

Place: New Delhi

Date: 26.05.2023



SBEC STOCKHOLDING & INVESTMENT LIMITED
BALANCE SHEET AS AT 31st MARCH, 2023

(In Rs.000')

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS			
<u>Non-Current Assets</u>			
(a) Non Current Investments	1	3,79,251	3,79,251
		3,79,251	3,79,251
<u>Current Assets</u>			
(a) Financial Assets			
(i) Trade Receivables		-	-
(ii) Cash and Cash Equivalents	2	730	117
b) Other Currents Assets	3	18	-
		748	117
Total		3,79,999	3,79,368
II. EQUITY AND LIABILITIES			
<u>EQUITY</u>			
(a) Equity Share Capital	4	45,500	45,500
(b) Other Equity	5	96,689	28,930
		1,42,189	74,430
<u>LIABILITIES</u>			
<u>Non-Current Liabilities</u>			
a) Financial Liabilities			
-Other Financial Liabilities	6	2,28,907	2,93,906
		2,28,907	2,93,906
<u>Current Liabilities</u>			
a) Trade Liabilities	7	31	50
b) Others Financial Liabilities	8	-	4,550
c) Tax Liabilities	9	2,968	6,432
d) Others Current Liabilities	10	5,904	-
		8,903	11,032
Total Equity and Liabilities	Total	3,79,999	3,79,368

Notes No. 1 to 15 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements

In terms of our report of even date attached

For Sarat Jain & Associates
Chartered Accountants
Firm Regn NO. 014793C


(Sarat Jain)
Partner
Membership No. : 080216

Place: New Delhi
Date: 26.05.23

UDIN-23080216BGUQMM4761


(Umesh Kumar Modi)
Chairman & Director
DIN - 00002757


(Vijay K. Modi)
Director
DIN - 00004606


(S.S. Agarwal)
Director
DIN - 00004840

SBEC STOCKHOLDING & INVESTMENT LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH ,2023

(In Rs.000')

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
<u>LINCOME</u>			
Other Income	11	1,00,501	50,115
TOTAL (I)		1,00,501	50,115
<u>II.EXPENDITURE</u>			
Finance Cost	12	6,126	1
Other Expenses	13	355	99
TOTAL(II)		6,481	100
III.Profit before tax (I-II)		94,020	50,015
IV. Tax Expenses			
-Current Tax	14	22,518	11,444
-Ecess Provision for Income tax written back		(807)	-
TOTAL(IV)		21,711	11,444
V.Profit for the year (III-IV)		72,309	38,571
VI.Divident Provided/Paid		4,550	4,550
VII. Profit after Divident (V-VI)		67,759	34,021
Less:Transferred to Statutory Reserve as per Sec145 IC		18,804	10,003
VIII.Profit after Statutory Reserve Transferred to Balance Sheet		48,955	24,018
Earning per Share - Basic & Diluted	15	14.89	8.48

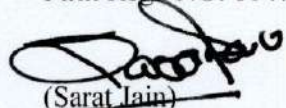
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In terms of our report of even date attached

For Sarat Jain & Associates

Chartered Accountants

Firm Regn NO. 014793C


(Sarat Jain)

Partner

Membership No. : 080216

Place:New Delhi

Date:26.05.23




(Umesh Kumar Modi)

Chairman & Director

DIN - 00002757


(Vijay K. Modi)

Director

DIN - 00004606


(S.S. Agarwal)

Director

DIN - 00004840

SBEC STOCKHOLDING & INVESTMENT LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2023

	(In Rs.000')	
	As at 31.03.2023	As at 31.03.2022
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Tax	94,020	50,015
Add :		
Interest Expenses	6,126	1
Interest Income	-	-
	<u>6,126</u>	<u>1</u>
Operating Profit/(Loss) Before Working Capital Changes	1,00,146	50,016
Changes in Working Capital:		
(Increase)/Decrease in Trade Receivables/Loans and Advances	(18)	-
(Increase)/Decrease in Inventories	-	-
Increase/(Decrease) in Trade and Other Payables	(4,092)	(70)
Net Changes in Working Capital	<u>(4,110)</u>	<u>(70)</u>
Net Cash (used in)Generated from operations	96,036	49,946
Income Tax /TDS paid/Refund	(25,175)	(5,012)
Net Cash from Operating Activities	70,861	44,934
(B) CASH FLOW FROM INVESTING ACTIVITIES	(A)	
Interest Income	-	-
Proceeds from Sale Of Fixed Assets	-	-
Proceeds from Sale Of Investments	-	-
Purchase of Fixed Assets	-	-
Purchase of Investments	-	-
Net Cash (used in)flow Investing Activities	<u>-</u>	<u>-</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES	(B)	
Proceeds from Debentures	-	-
Proceeds from Long /Short Borrowings	1,20,051	-
Repayment of Long /Short Borrowings	(1,85,050)	(45,000)
Interest Paid	(699)	(1)
Divident Paid	(4,550)	-
Net Cash Used in Financing Activities	<u>(70,248)</u>	<u>(45,001)</u>
Net Change in Cash & Cash Equivalents (A+B+C)	613	(67)
Cash and Cash Equivalents (Opening Balance)	117	184
Cash and Cash Equivalents (Closing Balance)	730	117

In terms of our report of even date attached

For Sarat Jain & Associates

Chartered Accountants

Firm Regd NO. 014793C

(Sarat Jain)

Partner

Membership No. : 080216

Place: New Delhi

Date: 26/05/2023



(Umesh Kumar Modi)
Chairman & Director
DIN - 00002757

(Vijay K. Modi)

Director

DIN - 00004606

(S.S. Agarwal)

Director

DIN - 00004840

SBEC STOCKHOLDING & INVESTMENT LIMITED

Statement of Changes in Equity for the year ended 31st March, 2023

EQUITY SHARE CAPITAL

Opening Balance as at April 1, 2021	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity Share Capital during the year	Balance as at March 31, 2022
45,500	-	45,500	-	45,500
Opening Balance as at April 1, 2022	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity Share Capital during the year	Balance as at March 31, 2023
45,500	-	45,500	-	45,500

OTHER EQUITY

	Statutory Reserve	Retained Earning	Total
As at April 1, 2021	-	(5,091)	(5,091)
Profit/(Loss) During the Year		38,571	38,571
Transferred to General Reserve	10,003	(10,003)	-
Proposed Dividend		(4,550)	(4,550)
As at March, 31, 2022	10,003	18,927	28,930
Profit/(Loss) During the Year		67,759	67,759
Transferred to General Reserve	18,804	(18,804)	-
As at March, 31, 2023	28,807	67,883	96,689

Notes No. 1 to 14 and Annexure I containing Accounting Policies and General Notes forming part of the Financial Statements.

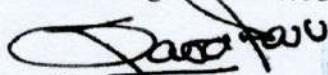
In terms of our report of even date attached

For Sarat Jain &

Associates

Chartered Accountants

Firm Regn NO. 014793C



(Sarat Jain)

Partner

Membership No. : 080216

Place: New Delhi

Date: 26.05.23




(Vijay K. Modi)

Director

DIN - 00004606


(Umesh Kumar Modi)

Chairman & Director

DIN - 00002757


(S. S. Agarwal)

Director

DIN - 00004840

SBEC STOCKHOLDING & INVESTMENT LIMITED

Note : 1 Non Current Investments

In Rs.000'

Particulars	As at 31.03.2023	As at 31.03.2022
A)Trade @-Unquoted		
Investment in equity instruments		
i) of Joint venture company-3,79,25,000 (Previous Year-3,21,25,000) equity shares @Rs.10/-each of fully paid up in Modi Illva India Pvt.Ltd	3,79,250	3,79,250
Less : Provision for Diminution	-	-
	3,79,250	3,79,250
ii) of other entity-100 (Previous Year-100) equity shares @Rs.10/-each of fully paid up in Chandil Power Ltd)	1	1
Less : Provision for Diminution	-	-
	1	1
Total	3,79,251	3,79,251

Note : 2 Cash & Cash Equivalents

Particulars	As at 31.03.2023	As at 31.03.2022
Bank Balances		
Balance with Scheduled Bank		
- in Current Account	730	117
Cash in hand	0	0
Total	730	117

Note :3 Other Current Assets

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered Good :		
Others:		
Sundry Deposits-Considered good-Unsecured	18	-
Sundry Deposits-Credit Impaired	-	-
Less:Provision for Doubtful Sundry Deposites	18	-
	-	-
Total	18	-

Note : 4 Equity Share Capital

Particulars	As at 31.03.2023	As at 31.03.2022
AUTHORIZED CAPITAL		
50,00,000 (Previous Year 50,00,000) Equity share of Rs.10/- each (P.Y. 5,000,000)	50,000	50,000
	50,000	50,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
45,50,000 (Previous Year 45,50,000)Equity share of Rs.10/- each fully paid in c	45,500	45,500
Total	45,500	45,500

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares of Rs 10 Each, Fully paid up	As at 31.03.2023		As at 31.03.2022	
	Rs.	No. of shares	Rs.	No. of shares
At the beginning of the year	45,500	45,50,000	45,500	45,50,000
At the end of the year	45,500	45,50,000	45,500	45,50,000

4.2 Terms / Rights attached to equity shares.

The company has only one class of equity share having a par value of Rs.10/- each. Each share holder of equity share is entitled to pari-passu dividend as approved by the shareholder in their general meeting. In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the Company after distribution to creditors and all preferential amount. The distribution will be in proportion to the number of equity share held by each shareholder.

4.3 Details of shareholders holding more than 5% Equity Shares in company.

Equity Shares	As at 31.03.2023		As at 31.03.2022	
	No. of shares	% of holding	Rs.	% of holding
SBEC Sugar Limited	45,50,000	100%	45,50,000	100%

Of the above 60 Shares are held by individual shareholders as nominee of SBEC Sugar Limited

As per record of the company,including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest,the above shareholding represents both legal and beneficial

4.4 Promoter Holding

SBEC Sugar Limited	As at 31.03.2023		As at 31.03.2022	
	No. of shares	% of holding	No. of shares	% of holding
	45,50,000	100%	45,50,000	100%

4.5 None of shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment as at the balance sheet date.

4.6 None of the securities are convertible into shares at the end of the reporting period.

4.7 No calls are unpaid by any director or officer of the company during the year.



SBEC STOCKHOLDING & INVESTMENT

Note : 5 Other Equity

(In Rs.000')

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Reserve		
Opening Balance	10,003	-
Add: During the Year	18,804	10,003
Closing Balance	28,807	10,003
Surplus		
Opening Balance	18,927	(5,091)
Add: Profit as per Statement of Profit & Loss	48,955	24,018
Total Surplus	67,882	18,927
Total	96,689	28,930

NOTE - 6 : Other Financial Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
a) Financial Liabilities		
Zero % Unsecured Compisory Convertible Debentures of Rs.10/- each of SBEC Bioenergy		
78,85,648-Compulsory Convertible Debentures - Serie	78,856	78,856
25,00,000-Compulsory Convertible Debentures - Serie	25,000	25,000
5,00,000-Compulsory Convertible Debentures - Series	5,000	5,000
	1,08,856	1,08,856
b) Other Long Term Liabilities		
-Unsecured Loans		
Due to Holding Company (SBEC Sugar Ltd.)	-	1,85,050
Due to Body Corporate	1,20,051	-
	1,20,051	1,85,050
Total	2,28,907	2,93,906

* The above debentures are to be converted at the option of the investor at any time after allotment, however, are to compulsorily convertible into Equity Shares of Rs.10/- each at par not later than in case of

78,85,648-Compulsory Convertible Debentures - Series I
25,00,000-Compulsory Convertible Debentures - Series II
5,00,000-Compulsory Convertible Debentures - Series III

30 June 2026
16 December 2026
29 March 2027

NOTE - 7 : Trade Payables

Particulars	As at 31.03.2023	As at 31.03.2022
(i) MSME	-	-
(ii) Others	31	50
Total	31	50

Ageing for trade payable Schedule:

As at March,31,2023

(In Rs.000')

Particulars	Outstanding for following periods from due date of payment for the 2022-23				
	Less than 1year	1-2year	2-3year	more than 3year	Total
(i) MSME	-	-	-	-	-
(ii) Others	21	10	-	-	31
Total	21	10	-	-	31
As at March,31,2022					
(i) MSME	-	-	-	-	-
(ii) Others	50	-	-	-	50
Total	50	-	-	-	50



NOTE - 8 : Others Financial Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Dividend	-	4,550
Total	-	4,550

NOTE - 9 : Tax Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Income Tax(net of Advance tax)	2,968	6,432
Total	2,968	6,432

NOTE 10 : Other Current Liabilities

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory dues payable	477	-
Interest payable	5,427	-
Total	5,904	-

NOTE - 11 : Other Income

Particulars	YEAR ENDED 31/03/2023	YEAR ENDED 31/03/2022
Divident Income	1,00,501	50,115
TOTAL	1,00,501	50,115

NOTE - 12 : Finance Cost

Particulars	YEAR ENDED 31/03/2023	YEAR ENDED 31/03/2022
Interest on Unsecured Loans	6,118	-
Interest on TDS	7	-
Bank Charges	1	1
TOTAL	6,126	1

NOTE - 13 : Other Expenses

Particulars	YEAR ENDED 31/03/2023	YEAR ENDED 31/03/2022
Legal & Professional charges	303	72
Filing Fees	3	4
Misc. Expenses	12	-
Auditors's Remuneration	-	-
- As Audit Fee	18	18
-Other Services	19	5
TOTAL	355	99

NOTE - 14 : Income Taxes

Particulars	YEAR ENDED 31/03/2023	YEAR ENDED 31/03/2022
Income Tax Expenses:		
-Current Tax	22,518	11,444
-Ecess Provision for Income tax written back	(807)	-
TOTAL	21,711	11,444

NOTE 15: Earning per Share(EPS)

Particulars	YEAR ENDED 31/03/2023	YEAR ENDED 31/03/2022
The basic and diluted Earning per Share is as under:		
Net Profit /(Loss) after tax	67,759	38,571
Weighted average no.of Equity Shares	45,50,000	45,50,000
Basic and Diluted Earning per Share (Rs.)	14.89	8.48



SBEC STOCKHOLDING & INVESTMENT LIMITED

ANNEXURE 1 : ACCOUNTING POLICIES & GENERAL NOTES FORMING PART OF THE FINANCIAL INFORMATION

I. Corporate Information

SBEC Stockholding & Investment Ltd. ("the Company"), established in the year 2001 and having its registered office at 1400, Modi Tower 98, Nehru Place, New Delhi-110019 is engaged in trading in shares, stocks, debentures, bonds, debenture stocks, notes and other types of securities issued or guaranteed by any Company or Body Corporate / Government / Public Body or Authority or Corporation, etc in India or elsewhere.

II. Significant Accounting Policies

1. Basis of preparation of financial information

- a. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
- b. The financial statements have been prepared under the historical cost convention on accrual basis (except for revaluation of certain fixed assets).

2. Use of Estimates

The preparation of financial statements require the management to make some estimates and assumptions which affect the reported amount of assets and liabilities and the disclosures relating the contingent liabilities as at the date of the financial statements and the reported amount of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefit, provision for tax & duties (including interest on arrear statutory dues/liabilities), the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to change in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialised.



3. Revenue Recognition:

- a) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest on tax refund is accounted for on receipt basis.
- b) Other miscellaneous revenues are recognized when the amount and the collectability are certain.

4. Provisions Contingent Liabilities

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims, not acknowledged as debt, are disclosed by way of a note. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

5. Investment

Investments are valued at cost including transfer and acquisition expenses. The investments are categorized into Long Term.

6. Cash and Cash Equivalent

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

7. Earning Per Share

The earnings considered in accounting the Company's Earning Per Share (EPS) comprise the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the periods and adjusted for all events.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive shares.



8. Financial Instruments

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

Financial Assets

- Initial recognition and measurement

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

- Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and 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 amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.



Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- Investments in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- Derecognition

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired



or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

Financial liabilities

- Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities

at fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially



as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

9. Taxation

Provision for current tax is made on the basis of applicable Income Tax Act, 1961.

10. Cash Flow Statement

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.



III. OTHER NOTES TO RELATED TO INDIAN ACCOUNTING STANDARDS

1. Related Party Transactions

The transactions with related parties as per the Indian Accounting Standard 112 issued by ICAI and in terms of the provision of Section 2 (76) of the Companies Act, 2013 to the extent applicable are given below:

(a) By virtue of co-ventures/Directorship

- (i) Modi Illva India Pvt.Ltd.
- (ii) Shri U K Modi Chairman and Director.
- (iii) Nature of Transactions

	Rs.000'	
	By virtue of Co-Ventures	
	Current Year	Previous Year
Investment in Equity Capital	379250	379250
Dividend Income	100501	50115



NOTE 2 :Financial Instruments
Financial Instruments by category:

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2023 is as follows:

Particulars	NOTE NO	At Cost	Amortised cost	Rs. Total carrying cost
Assets:				
Investment in associates	1	3,79,250	-	3,79,250
Other Investment	1	1	-	1
Cash and Cash Equivalents	2	-	730	730
Deposites	3	-	18	18
Total		3,79,251	748	3,79,999
Liabilities:				
Trade Liabilities	7	-	31	31
Other Financial Liabilities	6 & 8	-	2,28,907	2,28,907
Tax Liabilities	9	-	2,968	2,968
Total		-	2,31,906	2,31,906

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2022 is as follows:

Particulars	NOTE NO	At Cost	Amortised cost	Rs. Total carrying cost
Assets:				
Investment in associates	1	3,79,250	-	3,79,250
Other Investment	1	1	-	1
Cash and Cash Equivalents	2	-	117	117
Total		3,79,251	117	3,79,368
Liabilities:				
Trade Liabilities	7	-	50	50
Other Financial Liabilities	6 & 8	-	2,98,456	2,98,456
Tax Liabilities	9	-	6,432	6,432
Total		-	3,04,939	3,04,939

*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 [Financial Instruments Disclosures].

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

Abbreviations : FVTPL - Fair Value Through Profit or Loss.

Abbreviations : FVTOCI - Fair Value Through Other Comprehensive Income



NOTE 3: Additional Regulatory Information-Ratios

Ratio	Measure	Numerator	Denominator	As at ' March 31, 2023	As at ' March 31, 2022	Variance	Remarks
Current Ratio	Times	Total Current Liabilities	Total Current Liabilities	0.08	0.01	0.07	
Debt-Equity ratio	Times	Total debt	Total Equity	0.84	2.49	-1.64	
Debt Service Coverage Ratio	Times	Arning for debt service=Net profit after taxes+Non cash operation expenses+finance cost	Debt service=Interest Payment	15.61	32605.24	-32589.63	
Return on Equity Ratio	Percentage	Net Profit for the year	Average total equity	62.56	67.17	-4.61	
Inventory Turnover ratio	Times	Cost of Goods Sold	Average inventory	-	-	-	
Total Receivables Turnover ratio	Times	Revenue from operation	Average trade receivables	-	-	-	
Trade payables turnover ratio	Times	Other expenses	Average trade payable	8.77	1.17	7.60	
Net Capital turnover ratio	Times	Revenue from operation	Average Working Capital	-11.04	-9.50	-1.54	
Net Profit ratio	Percentage	Net Profit for the year	Revenue from operation	67.42	76.97	67.42	
Return on capital employed	Percentage	Profit before tax and finance cost	Average Capital employed	12.76	6.64	6.12	
Return on Investment	Percentage	Profit after tax	Total Equity	47.65	51.82	-4.17	



Asset Classification	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions as per IRACP	Difference between IND AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	3,79,251	-	3,79,251	-	-
	Stage 2	748	-	748	-	-
Subtotal		3,79,999	-	3,79,999	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to one year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal						
Loss	Stage 3	-	-	-	-	-
Subtotal of NPA						
Other items such as guarantees, loan commitments, etc which are in the scope of Ind As 109 but not covered	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total	Stage 1	3,79,251	-	3,79,251	-	-
	Stage 2	748	-	748	-	-
	Stage 3	-	-	-	-	-
Total		3,79,999	-	3,79,999	-	-

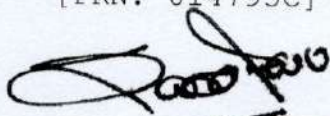


5. Contingent Liabilities:	NIL
6. Expenditure in Foreign Currency:	NIL
7. Earning in Foreign Currency	NIL
8. Previous year figure have been recast/ restated.	

Notes 1 to 15 and Annexure-I containing Accounting Policies and General Notes form part of the Financial Statements.

As per our report of even date attached.

For Sarat Jain & Associates
Chartered Accountants
[FRN. 014793C]



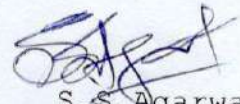
(Sarat Jain)
Partner
M.No. 080216




Umesh Kumar Modi
Director
DIN:00002757



Vijay K. Modi
Director
DIN:00004606



S. S. Agarwal
Director
DIN:00004840

Place: New Delhi
Date: 26.05.2023