

INDEPENDENT AUDITOR'S REPORT

To the Members of J.K. DIGITAL & ADVANCE SYSTEMS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J.K. DIGITAL & ADVANCE SYSTEMS PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS ") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report. 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibility of Management for 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, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in



the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.



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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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.

- a. 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.
- b. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended.
- d. On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. 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 B.



- f. 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:

Section 197(16) is not applicable to private companies and therefore the provision of section 197(16) is not applicable to the company

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of it's 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.

Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) above contain any material mis-statement.



- v. The company has not declared and paid dividend during the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail being tampered with. The audit trail has been preserved by the company as per the statutory requirements for record retention.



For P.L. Tandon & Co.
Chartered Accountants
(Firm's Registration No. 000186C)

P.P. Singh

P.P. SINGH
(PARTNER)

(Membership No. 072754)

UDIN 26072754K5JQTN6040

Place : Kanpur

Date : 26-05-2026

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Re: J.K. DIGITAL & ADVANCE SYSTEMS PRIVATE LIMITED

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2026, we report that:

i. In respect of its Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The company does not have any intangible assets and therefor provision of para 3 (i) (a) (B) of Companies (Auditor's Report) Order, 2020 are not applicable to company.
- (b) The property, plant and equipment have not been physically verified by the management during the year
- (c) The company does not have any immovable property and therefore provisions of paragraph 3(i)(c) of Companies (Auditor's Report) Order, 2020 are not applicable to company.
- (d) According to the information and explanations given to us, the company has not revalued its property, plant and equipments (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, the company does not hold any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and rules made thereunder. Therefore, provisions of paragraph 3(i) (e) of the Companies (Auditor's Report) Order, 2020 are not applicable to the company

ii(a) In respect of its Inventories:

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and in our opinion, the coverage and procedure of such verification is appropriate. The discrepancies noticed on verification between physical stocks and the book records were not of 10% or more in aggregate for each class of inventory.

iii (a) In respect of loans secured or unsecured, investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other



parties, according to the information and explanations given to us :

The company has not granted any loans secured or unsecured, investment in, provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Therefore provisions of paragraph 3(iii) (a) to (f) of the Companies (Auditor's Report) Order, 2020 are not applicable to the company.

- iv In view of our comments in paragraph 3(iii) above, the provision of paragraph 3(iv) of the Companies (Auditor's Report) Order, 2020 are not applicable to the company.
- v In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Therefore, the provisions of paragraph 3 (v) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- vi The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 the Companies Act, 2013 for the products of the company.
- vii According to the information and explanations given to us, in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, services tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and services tax, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other Statutory dues were in arrear as at 31st March, 2026 for a period more than six months from the date they became payable.

- (b) According to the records of the company, there are no dues of goods and services tax, provident fund, Employees State Insurance, Income Tax, Sales Tax, Services Tax, Duty of Custom, Duty of Excise, Value Add Tax, Cess which have not been deposited on account of any dispute.
- viii According to the information and explanations given to us, there is no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



- ix(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) The company has not obtained any term loans during the year and therefore provisions of paragraph 3(ix)(c) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- (d) According to the information and explanations given to us, and the procedure performed by us, and on the overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) The company does not have any subsidiaries, associates or joint ventures. Therefore provisions of paragraph 3(ix)(e) and 3(ix)(f) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- x(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, provisions of paragraph 3(x)(a) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- (b) According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Therefore provisions of paragraph 3(x)(b) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- xi (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act, has been filed by auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, there are no whistle blower complaint received by the company during the year.



- xii In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, the provisions of paragraph 3 (xii) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards and section 177 of the Act is not applicable as company is private limited company.
- xiv(a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (b) In view of our comments in paragraph xiv (a) above, provisions of paragraph 3(xiv)(b) of the Companies (Auditor's Report) order, 2020, are not applicable to the company.
- xv According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with 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.
- (b) The company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India.
- (c) The company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Therefore provisions of paragraph 3 (xvi)(c) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.
- (d) According to the information and explanations given to us, the company's group does not have more than one Core Investment Company (CIC) as part of the group.
- xvii The company has incurred cash losses during the current financial year and in the immediately preceding financial year.
- . xviii There has been no resignation of the statutory auditors during the year and therefore the provisions of paragraph 3(xviii) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.



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 company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a year 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(a) The provisions of section 135 of Companies act are not applicable to the company.

xx(b) In view of our comments in paragraph xx(a) above the provisions of paragraph xx(b) of the Companies (Auditors' Report) order 2020, are not applicable to the company.

xxi The company does not have any subsidiary, associate and joint venture company and therefore provision of paragraph 3(xxi) of the Companies (Auditors' Report) order, 2020, are not applicable to the company.

For P.L. Tandon & Co

Chartered Accountants

Firm's Registration No. 000186C



P.P. SINGH

PARTNER

Membership No. 072754

Place: Kanpur

Date: 26-05-2026

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls 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 J.K. DIGITAL & ADVANCE SYSTEMS PRIVATE LIMITED ("the Company") as of 31 March 2026 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, except risk control matrix is under preparation , 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 31 March 2026, 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 P.L. Tandon & Co
Chartered Accountants

Firm's Registration No. 000186C



P.P.SINGH

PARTNER

Membership No. 072754

Place : Kanpur

Date: 26-05-2026

JK Digital & Advance Systems Private Limited
CIN: U26204DL2023PTC417784
Balance Sheet as at 31st March 2026

(Rs. in Lakh)

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
ASSETS			
Non- Current Assets:			
(a) Property, Plant and Equipment	2	4.30	-
(b) Capital Work In Progress	3	2,374.35	1,028.58
(c) Right-of-use Assets	4	229.73	-
(d) Other Non current assets	5	89.77	-
		2,698.14	1,028.58
Current Assets:			
(a) Inventories	6	32.64	-
(b) Financial Assets			
(i) Trade Receivable	7	4.32	-
(ii) Cash and cash equivalents	8	111.27	47.65
(iii) Bank Balances other than (ii) above	9	-	250.00
(iv) Other Financial Assets	10	31.37	1.42
(c) Current Tax Assets (net)	11	0.95	0.49
(c) Other Current Assets	12	457.35	185.30
		637.89	484.86
TOTAL ASSETS		3,336.03	1,513.44
EQUITY AND LIABILITIES			
Equity:			
(a) Equity Share Capital	13	1,000.50	1,000.50
(b) Other Equity	14	1,153.82	267.73
		2,154.32	1,268.23
Liabilities:			
Non- Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	345.14	82.36
(ii) Lease Liabilities	16	194.23	-
(b) Deferred Tax Liabilities	17	405.47	104.35
		944.84	186.71
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	-	10.00
(ii) Lease Liabilities	16	43.72	-
(iii) Trade Payable	19		
(a) Total outstanding dues of micro Enterprises and Small		22.89	-
(b) Total outstanding dues of creditors other than micro		162.29	-
(iv) Other Financial Liabilities	20	1.88	1.72
(b) Other current liabilities	21	6.10	46.78
		236.88	58.50
TOTAL EQUITY AND LIABILITIES		3,336.03	1,513.44
Material Accounting Policies	1		

The accompanying notes to the financial statements 1-48
This is the Balance Sheet referred to in our report of even date.

For PL Tandon and Co.
Chartered Accountants

Prithi Pal Singh
(Partner)



For and on behalf of the Board of Directors of
JK Digital & Advance Systems Private Limited

SATISH CHANDRA GUPTA
Director
(DIN: 01595040)

PARTHO PRATIM KAR
Director
(DIN: 00508567)

GULSHAN KUMAR
Chief Financial Officer
(M.NO. 562424)

DRISHTI JAIN
Company Secretary
(M.NO. A74879)

Date: 26th May 2026
Place: New Delhi

JK Digital & Advance Systems Private Limited
CIN: U26204DL2023PTC417784
Statement of Profit and Loss for the year ended 31st March 2026

		(Rs. in Lakh)	
Particulars	Note No.	For the Year ended 31st March '26	For the year ended 31st Mar'25
INCOME			
Revenue from Operations	22	47.49	-
Other Income	23	11.51	4.89
Total Income		59.00	4.89
EXPENSES:			
Cost of Material Consumed	24	27.18	-
Purchase of Stock in trade			
Change in Inventories of Finished goods, Work in progress and stock in trade			
Employee Benefit Expenses	25	0.44	-
Finance Costs	26	44.96	5.03
Depreciation	2	41.57	-
Other expenses	27	22.11	47.06
Total Expenses		136.26	52.08
PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS		(77.26)	(47.19)
Exceptional items		-	-
PROFIT/(LOSS) BEFORE TAX		(77.26)	(47.19)
Tax expense:			
- Current tax			
- Deferred tax			
PROFIT/(LOSS) FOR THE YEAR		(17.12)	(1.71)
OTHER COMPREHENSIVE INCOME:		(60.15)	(45.48)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(60.15)	(45.48)
Earnings per Equity Share of ₹ 10/- each in ₹	28		
- Basic		(0.60)	(0.98)
- Diluted		(0.21)	(0.60)
Material Accounting Policies	1		

The accompanying notes to the financial statements 1-48
This is the Profit & Loss statement referred to in our report of even date.

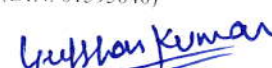
For PL Tandon and Co.
Chartered Accountants

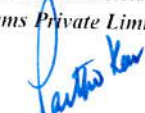

Prithi Pal Singh
(Partner)



For and on behalf of the Board of Directors of
JK Digital & Advance Systems Private Limited


SATISH CHANDRA GUPTA
Director
(DIN: 01595040)


GULSHAN KUMAR
Chief Financial Officer
(M.NO. 562424)


PARTHO PRATIM KAR
Director
(DIN: 00508567)


DRISHTI JAIN
Company Secretary
(M.NO. A74879)

Date: 26th May 2026
Place: New Delhi

JK Digital & Advance Systems Private Limited
CIN: U26204DL2023PTC417784
Cash Flow Statement for the Year ended 31st March 2026

		(Rs. in Lakh)	
Particulars	As at 31st March 2026	As at 31st March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before Tax as per the Statement of Profit & Loss	(77.26)	(47.19)	
Add : Finance Cost	44.96	5.03	
Add : Depreciation	41.57	-	
Less : Interest on Fixed Deposit	(10.10)	-	
Less : Rental Income	(0.12)	-	
Less : Interest on Lease Security Deposit	(1.26)	-	
Operating Profit / (Loss) before Working Capital Changes	(2.21)	(42.16)	
Adjusted for:			
Increase/(Decrease) in Trade Payables & Other Liabilities	142.77	45.81	
Decrease / (Increase) in Current Assets	(307.92)	(185.79)	
Cash used in Operations	(165.15)	(139.98)	
Less: Income Tax Paid	(167.36)	(182.14)	
Net Cash Used in Operating Activities	0.95	-	
	(166.41)	(182.14)	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Redemption of Fixed Deposit	250.00	(250.00)	
Interest on Fixed deposit	10.47	-	
Increase in Other Financial Assets	(29.94)	(1.42)	
Purchase of Fixed assets	(5.33)	-	
Addition to Capital Work-in-Progress	(1,345.77)	(1,028.58)	
Capital Advances paid	(89.77)	-	
Rent received	-	-	
Net Cash Used in Investing Activities	(1,210.34)	(1,280.00)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Share Capital	-	1,000.00	
Proceeds from Issue of Preference Shares	1,500.00	-	
Proceeds from / (Repayment of) Borrowings	(10.00)	188.42	
Increase in 0.1% OCRPS Equity component	-	315.35	
Lease Payment	(47.52)	-	
Payment of Interest	(2.11)	(3.30)	
Net Cash From Financing Activities	1,440.37	1,500.47	
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B-C)	63.62	38.33	
Opening Balance of Cash and Cash Equivalents	47.65	9.32	
Closing Balance of Cash and Cash Equivalents	111.27	47.65	
Notes:			
1 The above Cash Flow Statement has been prepared under the Indirect Method set out in Ind AS 7- Statement of Cash Flows			
2 For the purpose of Standalone Cash Flow Statement, Cash and Cash Equivalents comprise the following:			
	As at 31st March 2026	As at 31st March 2025	
Balances with Banks (In Current accounts)	111.27	47.65	
Cash and Cash Equivalents as per Note No. 8	111.27	47.65	

For PL Tandon and Co.
Chartered Accountants

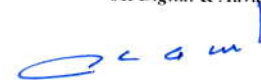

CA Prithi Pal Singh
(Partner)

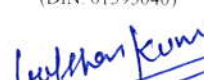


Date: 26th May 2026

Place: New Delhi

For and on behalf of the Board of Directors of
JK Digital & Advance Systems Private Limited


SATISH CHANDRA GUPTA
Director
(DIN: 01595040)


GULSHAN KUMAR
Chief Financial Officer

(M.NO. 562424)


PARTHO PRATIM KAR
Director
(DIN: 00508567)


DRISHTI JAIN
Company Secretary

(M.NO. A74879)

JK Digital & Advance Systems Private Limited
Statement of Changes in Equity for the year ended 31st March 2026

A EQUITY SHARE CAPITAL

(Rs. in Lakh)

	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year				
Changes in equity share capital during the year	1,00,05,000.00	1,000.50	5,000	0.50
Balance as at the end of reporting period	-	-	1,00,00,000	1,000.00
	1,00,05,000.00	1,000.50	1,00,05,000	1,000.50

B OTHER EQUITY

Particulars	As on 31st March 2026		As on 31st March 2025	
	No of shares	Amount	No of shares	Amount
Equity component of 0.1% Optionally Convertible Redeemable Preference Shares (OCRPS)				
Balance at the beginning of the year	5,00,000	315.35		
Add: Equity component of 0.1% OCRPS	15,00,000	946.23	5,00,000	315.35
Balance at the end of the year (A)	20,00,000	1,261.58	5,00,000	315.35

Reserves and Surplus	As on 31st March 2026	As on 31st March 2025
Retained Earnings		
Balance at the beginning of the year		
Add: Total Comprehensive income for the year	(47.62)	(2.14)
Balance as at the year end (B)	(60.15)	(45.48)
	(107.77)	(47.62)
Total Other Equity (A+B)	1,153.82	267.73



JK Digital & Advance Systems Private Limited
Notes to Financial Statements for the Year ended 31st March, 2026
Note - 2 : Property, Plant and Equipment
FY 2025-26

Sl. No.	Particulars	Gross Block			Depreciation			Net Block	
		As at 01-Apr-2025	Additions	Adjustment/ Deductions	As at 31-March-2026	As at 01-Apr-2025	For the period	As at 31-March-2026	As at 31-Mar-2025
1	Computer Equipments	-	5.33	-	5.33	-	1.03	1.03	4.30
			5.33	-	5.33	-	1.03	1.03	4.30

(Rs. in Lakh)

Note - 3: Capital Work In Progress

Sl. No.	Particulars	Gross Block			Depreciation			Net Block	
		As at 01-Apr-2025	Additions	Adjustment/ Deductions	As at 31-March-2026	As at 01-Apr-2025	For the year	As at 31-March-2026	As at 31-Mar-2025
1	Plant & Machinery under Installation/Commissioning	1,028.58	1,345.77	-	2,374.35	-	-	2,374.35	1,028.58
		1,028.58	1,345.77	-	2,374.35	-	-	2,374.35	1,028.58

(Rs. in Lakh)

Capital Work in Progress Ageing Schedule for 2025-26

Particulars	Account in CWIP in a Period of				Total as of 31.03.2026
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Plant & Machinery under Installation/Commissioning	1345.8	1028.6			2,374.35
Total					

Sl. No.	Particulars	Gross Block			Depreciation			Net Block	
		As at 01-Apr-2024	Additions	Adjustment/ Deductions	As at 31-March-2025	As at 01-Apr-2024	For the year	As at 31-March-2025	As at 31-March-2024
1	Plant & Machinery under Installation/Commissioning	-	1,028.58	-	1,028.58	-	-	1,028.58	-

(Rs. in Lakh)

Note 4 :-Right Of Use Assets

Sl. No.	Particulars	Gross Block			Depreciation			Net Block	
		As at 01-Apr-2025	Additions	Adjustment/ Deductions	As at 31-March-2026	As at 01-Apr-2025	For the year	As at 31-March-2026	As at 31-Mar-2025
1	Peenya Premises on lease	-	270.27		270.27	-	40.54	229.73	-
			270.27		270.27		40.54	229.73	

(Rs. in Lakh)



JK Digital & Advance Systems Private Limited
Notes to the Financial Statements for the Year Ended 31st March 2026

(Rs. in Lakh)

PARTICULARS	As at 31st March 2026	As at 31st March 2025
5 Other Non Current Assets		
Capital Advance	89.77	-
	<u>89.77</u>	<u>-</u>
6 Inventories		
Raw material	32.64	-
	<u>32.64</u>	<u>-</u>
7 Trade Receivables		
Trade receivables – considered good - unsecured	4.32	-
	<u>4.32</u>	<u>-</u>

Trade Receivables Ageing As on 31.03.2026

Particulars	Outstanding for following Periods from the due Date of Payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	4.32	-	-	-	-	4.32
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	4.32	-	-	-	-	4.32

8 Cash and Cash Equivalents		
Cash on hand	0.02	-
Balance With Banks		
- In Current Account	111.25	47.65
	<u>111.27</u>	<u>47.65</u>
9 Bank balances other than above		
Fixed Deposits	-	250.00
	<u>-</u>	<u>250.00</u>
10 Other Financial Assets		
Interest Receivable	-	1.32
Security Deposit	31.37	0.10
	<u>31.37</u>	<u>1.42</u>
11 Current Tax Assets (net)	0.95	0.49
12 Other Current Assets		
Unsecured Considered good		
Balances with Government Authority	418.32	185.30
i) GST Input Tax Credit		
Advance rent	0.11	-
Advance to Suppliers	38.92	-
	<u>457.35</u>	<u>185.30</u>
13 Authorized:		
Equity Share Capital		
1,00,10,000 Equity shares of ₹ 10/- each	1,001.00	1,001.00
Preference share Capital		
40,00,000 preference share capital @ Rs 100/- each	4,000.00	4,000.00
	<u>5,001.00</u>	<u>5,001.00</u>
Issued, Subscribed & Paid Up		
100,05,000 Equity shares of ₹ 10/- each	1,000.50	1,000.50
	<u>1,000.50</u>	<u>1,000.50</u>

Rights, Preferences and restrictions attached to Equity Shares:

The Company has single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share in the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

13.1 Reconciliation of Number of shares outstanding at the beginning and end of the year

Particulars	Number of Shares	Amount
Equity Shares at the Beginning of the year	1,00,05,000	1,000.50
Equity shares issued/(Buyback) during the year	-	-
Equity Shares at the end of the year	1,00,05,000	1000.50

13.2 Details of Shareholders Holding More Than 5 % Shares of the Company

S. No.	Name of Shareholder	As at 31st March 2026	
		No. of Shares Held	% of shares held
1	JayKay Enterprises Limited	10,00,50,000	100.00%



* JayKay Enterprises Limited is the promotor of the company.

14 Other Equity

Optionally Convertible Redeemable Preference Shares (OCRPS)

Balance at the beginning of the year	315.35	-
Add: Equity component of OCRPS issued during the year	946.23	315.35
Closing Balance at the end of the year*	1,261.58	315.35

*This is the amount of Equity component of OCRPS.

During the year, the company has allotted 15,00,000 – 0.1% Optionally Convertible Redeemable Preference Shares (OCRPS) of face value of Rs. 100/- each on right issue basis to the existing equity shareholder (JKE, the Holding Company) in proportion to their present shareholding in the existing paid up capital of the company, with a coupon rate of 0.1% per annum payable annually. The preference shares are redeemable in one or more installments at any time by the company but not later than 20 years from the date of issue.

Rights, Preferences and restrictions attached to OCRPS:

The OCRPS shall bear a cumulative dividend equal to 0.1% per annum payable till the date of conversion of OCRPS on a yearly basis.

The OCRPS will be optionally convertible into equity shares of Rs. 10 each.

The preference shareholders shall have priority over equity shareholders with respect to dividend.

The preference shares are redeemable in one or more installments at any time by the Company but not later than 20 years from the date of issue.

Preference shareholders have priority over equity shareholders in respect of payment of dividend and repayment of capital, in accordance with the provisions of the Companies Act, 2013.

The preference shareholders shall not participate in surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

The voting rights of the holders of OCRPS shall be in accordance with Section 47 and other applicable provisions of the Companies Act, 2013.

Retained Earnings

Balance at the beginning of the year	(47.62)	(2.14)
Add : Net Profit/ (Loss) for the year	(60.15)	(45.48)
Balance at the end of the year	(107.77)	(47.62)
Total Other Equity	1,153.82	267.73

Notes to Other Equity :-

- (i) Retained earnings is the cumulative loss of the Company

JK Digital & Advance Systems Private Limited

Notes to the Financial Statements for the Year Ended 31st March 2026

PARTICULARS	As at	As at 31st March																																										
	31st March 2026	2025																																										
15 Long Term Borrowings																																												
Optionally Convertible Redeemable Preference Shares (OCRPS)																																												
Liability Component of 0.1% OCRPS	345.14	82.36																																										
	<u>345.14</u>	<u>82.36</u>																																										
16 Lease Liabilities																																												
Lease liabilities - (Non Current)	194.23																																											
Lease liabilities - (Current)	43.72																																											
	<u>237.95</u>	<u>-</u>																																										
17 Deferred Tax Liabilities																																												
Deferred Tax Assets - Losses (related to unutilised tax losses)	(10.26)	(0.76)																																										
Deferred Tax Liabilities (related to fair value of 0.1% OCRPS)	415.73	105.11																																										
	<u>405.47</u>	<u>104.35</u>																																										
18 Current Borrowings																																												
Unsecured Loan																																												
From related parties	-	10.00																																										
	<u>-</u>	<u>10.00</u>																																										
19 Trade Payable																																												
(A) Total outstanding dues of micro enterprise and small enterprises	22.89	-																																										
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	162.29	-																																										
	<u>185.18</u>	<u>-</u>																																										
<table><tr><td>Trade Payable Ageing As on 31.03.2026</td><td colspan="5">Outstanding from following periods from the due date of payment</td></tr><tr><td>Particulars</td><td>Less than 1 year</td><td>1-2 years</td><td>2-3 years</td><td>More than 3 years</td><td>Total</td></tr><tr><td>i) MSME</td><td>22.89</td><td></td><td></td><td></td><td>22.89</td></tr><tr><td>ii) Others</td><td>162.29</td><td>-</td><td>-</td><td>-</td><td>162.29</td></tr><tr><td>iii) Disputed Dues- MSME</td><td></td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>iv) Disputed Dues- Others</td><td></td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Total</td><td>185.18</td><td>-</td><td>-</td><td>-</td><td>185.18</td></tr></table>			Trade Payable Ageing As on 31.03.2026	Outstanding from following periods from the due date of payment					Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	i) MSME	22.89				22.89	ii) Others	162.29	-	-	-	162.29	iii) Disputed Dues- MSME		-	-	-	-	iv) Disputed Dues- Others		-	-	-	-	Total	185.18	-	-	-	185.18
Trade Payable Ageing As on 31.03.2026	Outstanding from following periods from the due date of payment																																											
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total																																							
i) MSME	22.89				22.89																																							
ii) Others	162.29	-	-	-	162.29																																							
iii) Disputed Dues- MSME		-	-	-	-																																							
iv) Disputed Dues- Others		-	-	-	-																																							
Total	185.18	-	-	-	185.18																																							
20 Other Current Financial Liabilities (Carried at Amortized Cost)																																												
Interest on Borrowings payable to Related Parties	1.88	1.72																																										
	<u>1.88</u>	<u>1.72</u>																																										
21 Other Current Liabilities																																												
Payable to related party	5.69	46.42																																										
Other Payables *	0.41	0.36																																										
	<u>6.10</u>	<u>46.78</u>																																										
* Other payable includes statutory dues etc.																																												

* Other payable includes statutory dues etc.



JK Digital & Advance Systems Private Limited
Notes to the Financial Statements for the Year Ended 31st March 2026

(Rs. in Lakh)

PARTICULARS	For the period ended 31st March '26	For the year ended 31st Mar'25
22 Revenue From Operations		
Sale of Finished Goods	45.82	-
Sale of Services	1.67	-
	47.49	-
23 Other Income		
Interest on FDR	10.10	4.89
Interest on Lease Security deposit	1.26	-
Other Income	0.15	-
	11.51	4.89
24 Cost of Material Consumed		
Opening Stock		
Add : Purchases	59.82	-
Less : Closing Stock	32.64	-
	27.18	-
25 Employee Benefit Expenses		
Salary	0.44	-
	0.44	-
26 Finance Costs		
Interest on Inter Corporate Deposits	0.68	1.00
Finance Cost on Lease	15.20	-
Interest on 0.1% OCRPS Liability Component	29.08	4.03
	44.96	5.03
27 Other Expenses:		
Rates, Fee & Taxes	1.50	46.30
Trade mark and Licence Fees	0.68	-
Rent	0.61	0.11
Auditors' Remuneration		
- As Audit Fee	0.25	0.25
Legal & Professional Expenses	8.30	0.39
Insurance	0.07	-
Packaging & Forwarding	0.16	-
Travelling Expenses	2.81	-
Bank charges	0.36	0.01
Job Work Charges	0.87	-
Electricity Charges	4.02	-
Miscellaneous Exp	2.48	-
	22.11	47.06



	(₹ in Lacs)	
28 Earnings per Share (EPS)	2025-26	2024-25
(I) Net Profit (-) / Loss (-) available for Equity Share holders	(60.15)	(45.48)
a. Basic earnings per Equity Share of ₹ 1/- each (in ₹)		
i. Number of Equity Shares	1,00,05,000	46,52,740
(Denominator used for calculation of E P S based on weighted average)		
ii. Basic earnings per Equity Share of ₹ 1/- each (in ₹) for the year	(0.60)	(0.98)
b. Diluted earnings per Equity Share of ₹ 1/- each (in ₹)		
i. Number of Equity Shares	2,82,78,973	69,54,110
(Denominator used for calculation of E P S based on weighted average)		
ii. Diluted earnings per Equity Share of ₹ 1/- each (in ₹) for the year	(0.21)	(0.60)

29 Related Party Disclosures:

As per Indian Accounting standard (Ind AS) 24, the disclosures of transactions with the related parties are given below -

(i) List of related parties where control exists

A. Key Management Personnel (KMP)

Name of the Related party	Designation
Mr Satish Chandra Gupta	Director
Mr Partho Pratum Kar	Director
Sanjay Dimri (Appointed w e f 02 July, 2025)	Director
Ashish Singh Chauhan (Appointed w e f 25 April 2025)	Director

B. Holding Company

JayKay Enterprises Limited

C. Subsidiary of holding company

Neumesh Labs India Limited	Subsidiary
JK Defence & Aerospace Limited	Subsidiary
JK Technosoft Limited	Subsidiary
Allen Reinforced Plastics Limited (formerly Allen Reinforced Plastics Private Limited)	STEP DOWN SUBSIDIARY

Following are the transactions with related parties as defined under section 188 of Companies Act, 2023 and Ind AS-24 were carried out with related parties in the ordinary course of business and on terms equivalent to those that prevails in arm's length transaction.

A. Holding Company

JayKay Enterprises Limited

	For the year ended 31st Mar'26	For the year ended 31st Mar'25
a. Loan Received		
Opening Balance at the Beginning of the year	10.00	10.00
Add: Received during the period	-	-
Less: Repayment made during the period	10.00	-
Closing Balance at the end of the year	-	10.00
b. Interest Payable on loan		
Opening Balance at the Beginning of the year	1.49	0.59
Add: Interest credited during the year on loan (net of TDS)	0.61	0.90
Less: Paid during the period	(2.10)	-
Closing Balance at the end of the year	0.00	1.49
c. Purchases (including GST)	16.29	-
d. Sales (including GST)	14.50	-
e. Capital Contribution		
Equity Shares Capital:		
Opening Balance	1,000.50	0.50
Add: Issued during the year	-	1,000.00
	1,000.50	1,000.50
0.1% Optionally Convertible Redeemable Preference Shares (OCRPS)		
Opening Balance	500.00	-
Add: Issued during the year	1,500.00	500.00
Closing Balance	2,000.00	500.00
f. Interest Payable of OCRPS		
Opening Balance	0.23	-
Add: Interest expense	1.64	0.23
Less: Paid during the year	-	-
Closing Balance	1.88	0.23
g. Reimbursement of expenses - Outstanding Payable		
Opening Balance at the Beginning of the year	46.41	0.09
Add: Expenses incurred during the period	76.95	46.32
Less: Payments made during the period	(99.18)	-
Closing Balance at the end of the year	24.18	46.41
JK Defence and Aerospace Limited		
a. Reimbursement of Expenses		
Opening Balance at the Beginning of the year	-	-
Add: Expenses incurred during the period	0.26	-
Less: Payments made during the period	-	-
Opening Balance	0.26	-
Neumesh Labs Private Limited		
a. Purchase of Fixed Assets and Finished goods (including GST)		
Balance at the beginning of the year	-	-
Add: Purchases made during the year	823.09	1,213.72
Less: Paid during the year	(757.79)	(1,213.72)
Balance at the end of the year	65.30	-
c. Rent Received	0.12	-



30 Financial Ratios

S.No.	Ratio	Ratio Formula	As at 31st Mar'26	As at 31st Mar'25	Change in %	Reason for change where change is more than 25%
1	Current Ratio	Current Assets/ Current Liabilities	2.69	8.29	-67.51%	The ratio decreased primarily due to a significant increase in current liabilities, particularly trade payables and current lease liabilities and Other Financial Liabilities during the year.
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	0.27	0.07	271.67%	The ratio increased mainly due to recognition of lease liabilities and increase in borrowings during the year.
3	Debt Service Coverage Ratio (in times)	Earning available for debt service/ Interest expenses+ Lease payment+ Principal repayments made during the year	NA	NA		The Company had limited business operations during the year and the ratios are not meaningful. Accordingly, the same have been disclosed as NA.
4	Return on Equity ratio	PAT- Preference dividend/ Average Shareholder equity	-3.51%	-3.59%	-1.99%	
5	Return on Capital Employed	Earning before tax & interest/ Capital Employed	-1.11%	NA		The ratios are not comparable since the Company had limited business operations.
6	Trade Receivable Turnover Ratio	Net Credit sale/ Avg. Trade Receivable	22	NA	NA	Ratio impacted due to increase in credit period.
7	Trade Payable Turnover Ratio	Net Credit Purchase/ Average Trade Payable	NA	NA		The Company had limited business operations during the year and the ratios are not meaningful. Accordingly, the same have been disclosed as NA.
8	Net Capital Turnover Ratio	Net Annual Sale/ Net Working Capital	0.12	-		Ratio improved due to increase in turnover.
9	Net Profit Ratio	Profit After Tax/ Net Value of Sales and Services	-127%	-		Not Applicable as there is loss.
10	Return on Investment	Net Income/ Cost of Investment	NA	NA		



31 Note to Financial Instruments

Financial instruments by category

1) The management assessed that Fair Value of Cash & Cash Equivalents, Other Bank Balances, Trade Receivables, Other Current Financial Assets, Trade Payables, Short Term Borrowings, Long Term Floating Rate Loans and Other Current Financial Liabilities approximate their carrying amounts.

2) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

3) Considering above disclosure with regard to the Fair Value Hierarchy is not applicable.

Particulars	As at 31st March 2026		As at March 31, 2025	
	Carrying Value	Fair value	Carrying Value	Fair value
Assets (At Amortised Cost)				
Non-Current				
Investments				
Current				
(i) Trade Receivable	4.32	4.32	-	-
(ii) Cash and cash equivalents	111.27	111.27	47.65	47.65
(iii) Bank Balances	-	-	250.00	250.00
(iv) Other Financial Assets	31.37	31.37	1.42	1.42
Total	146.95	146.95	299.07	299.07
Liabilities (At Amortised Cost)				
Non-Current				
(i) Borrowings	345.14	345.14	82.36	82.36
(ii) Lease Liabilities	194.23	194.23	-	-
Current				
(i) Borrowings	-	-	10.00	10.00
(ii) Lease Liabilities	43.72	43.72	-	-
(iii) Trade Payable	185.18	185.18	-	-
(iv) Other Financial Liabilities	1.88	1.88	1.72	1.72
Total	770.14	770.14	94.08	94.08

Financial Risk Management Objectives and Policies

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is Interest Rate risk.

The Company's principal financial liabilities comprise trade and other payables, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, Other Financial Assets and cash / cash equivalents that derive directly from its operations.

Company is exposed to a number of any financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate. Senior management oversees the management of these risks with appropriate financial risk governance framework for the Company.

Market risk

Market risk is the risk where the fair value or future cash flows of a financial instrument, will fluctuate because of changes in market prices. Market prices comprise two types: of risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in market interest rates.

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FINANCIAL RISK MANAGEMENT OBJECTIVES:

The company has proper system of risk management policies and procedure and internal financial control aimed at ensuring early identification Evaluation and management of key financial risks (Such as credit risk, liquidity risk and market risk) that may cause as a consequence of business of operation as well as its investing and financial activities. Risk management policies and systems are reviewed regularly to reflect changes in market condition and the company's activities.

The company has exposure to the following risks arising from financial instruments

- Credit Risk
- Liquidity Risk
- Market Risk

Credit Risk :

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The LLP's historical experience of collecting receivables and the level of default indicate credit risk is low. The company establish an allowance for impairment that represents its expected credit losses in respect of trade receivable, loans and other receivable. During the year based on specific assessment, the company has not recognised any trade receivable, loans and other receivable as bad debts.

Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent The company's approach to managing liquidity is to ensure, as far as possible, that the company will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable loss or damage to the company's goodwill/reputation.

The company's current assets aggregate to Rs. 637.88 lakh, Rs. (484.86) lakh against an aggregate current liability of Rs. 236.87 lakh, Rs. (58.50) lakh on the reporting date 31-03-2026 and Previous year ended (31-03-2025) respectively. Further, while the company's total Share Shareholder's fund Rs. 2154.31 Lakh, Rs. (1268.25) lakh it has total borrowings Rs. 545.14 lakh, Rs. (82.56) lakh.

In above circumstances, liquidity risk or the risk that the company may not be able to settle or meet obligations as they become due does not exist.



Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

FAIR VALUE MEASUREMENT**Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and shall be used without adjustment to measure fair value.

Level 2:

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available.

The fair value of trade receivable, trade payable and current financial assets and liabilities is considered to be equal to the carrying amounts of these items due their short term nature.

33 Details of dues to micro and small enterprises as defined under the MSMED, 2006

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2026 and 31 March 2025 are given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

S.No	Particulars	As at 31 March 2026	As at 31 March 2025
1	Principal amount remaining unpaid to any supplier as at the end of the accounting year	22.89	
2	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
3	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. The amount of interest accrued and remaining unpaid at the end of each accounting year		
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006		

Dues to Micro and Small Enterprises have been determined to the extent declarations received from vendors.

Additional regulatory information required under Schedule III:-

34 The company did not hold any Benami Properties and no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

35 The company is not declared wilful defaulter by any bank or financial institution or any other lender.

36 The company did not enter any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956. There is no

37 There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

38 The company has complied with number of layers of company.

The company has not entered into any scheme of arrangements and no scheme of arrangements has been approved by the Competent Authority in terms of section 230 to 237 of Companies Act, 2013.

40 Contingent Liabilities and Commitments

	2025-26	2024-25
Claims against the Company not acknowledged as debts	Amount unascertainable	
Capital Commitments	NIL	NIL
Other Commitments	NIL	NIL

41 Sec 135 of the Companies Act 2013 with respect to CSR applicability, does not apply to the company.

42 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 persons or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

43 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.

44 There are no unrecorded transactions in the books of accounts, which have been surrendered/disclosed as income during the year in the tax assessments under the Income Tax Act 1961.

45 The corresponding previous year's figures have been regrouped / reclassified wherever necessary, to make them comparable.

46 The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

47 The Financial statements were approved for issue by the Board of Directors on 26, May 2025.

48 Deferred tax assets has been recognised on unused tax losses based on the future projections of the company's business as management is of the opinion that future profit will be available to utilise the unused tax losses.



J.K. DIGITAL & ADVANCE SYSTEMS PRIVATE LIMITED

1. MATERIAL ACCOUNTING POLICIES

Reporting Entity:

JK Digital & Advance Systems Private Limited (the "Company") is as company domiciled in India and limited by shares (CIN: U26204DL2023PTC417784).

The address of the company's registered office is A-2, Local Shopping Centre, Masjid Moth, South Delhi, Delhi-110048.

The Company is Additive Manufacturer, Trading & Exporters of AM Lab and software

As at March 31, 2026, JK Digital & Advance Systems Private Limited, the holding company owned 100% of the Company's equity share capital.

MATERIAL ACCOUNTING POLICIES

A. Statement of Compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under the Companies Act, 2013 ('Act'), read together with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as amended from time to time.

B. Basis of Preparation:

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-ASs) as notified by the Ministry of Corporate Affairs ("MCA") under section 133 of the Companies Act, 2013 ("Act"), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Financial Statements have been prepared as a going concern on accrual basis of accounting.

The Financial Statements are presented in Indian Rupees (INR) which is the company's functional currency and the values are rounded to the nearest lakh (up to two decimals) except when otherwise indicated

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

C. Current and Non-Current Classification:

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

An asset is treated as current when:

- a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- b) it holds the asset primarily for the purpose of trading;
- c) it expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- a) it expects to settle the liability in its normal operating cycle;
- b) it holds the liability primarily for the purpose of trading;
- c) the liability is due to be settled within twelve months after the reporting period; or
- d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

D. Revenue Recognition:

1. Revenue Recognition

Sale of goods and Services

- (a) Revenue is recognized at the time of the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Ind AS 115 "Revenue from contracts with customers" provides a control – based revenue recognition

model and provides a following five step application approach to be followed for revenue recognition:

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price and identify the payment terms for the goods or services to be transferred;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfy performance obligation



2. Interest:

Interest income from Financial Assets is recognised when it is probably that the economic benefits will flow to the Company and the amount can be measured reliably. Interest income is accrued on a time basis, by reference to principal outstanding and at effective interest rates.

3. Dividend:

Dividend is recognized when right to receive the payment is established

4. Other Claims:

Claims (including interest on delayed realization from customers) are accounted for, when there is a significant certainty that the claims are realizable

E. Grants from Government:

Government Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

F. Leases:

1.

The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset and corresponding lease liability at the lease commencement date with respect to all lease arrangements in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term and evaluated for any impairment losses.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the policy for 'Property, Plant and Equipment'.



Whenever the Company incurs an obligation for costs to dismantle and remove leased assets, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. To the extent those costs relate to a right-of-use asset, the costs are included in the right-of-use asset, unless the costs are incurred to produce inventories.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are presented in the line 'Other Expenses' in the profit or loss.

The right-of-use assets and lease liabilities are presented as a separate line item in the balance sheet.

2. **Company as a lessor**

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever, the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease receipts under operating leases are recognised as an income, on a straight-line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

The Company does not has any finance lease arrangements.

G. **Property, Plant and Equipment (PPE) and Intangible Assets:**

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates,
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management,
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.



Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent Measurement:

Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the de recognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such de recognition of an item of property plant and equipment is recognised in profit and Loss.

Depreciation:

Depreciation on PPE is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets.

Depreciation on the assets added/ disposed of during the year is provided on pro-rata basis with reference to the date of addition/ disposal.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

H. Impairment of Tangible and Intangible Assets:

At the end of each reporting period, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication that these assets have approved as impairment loss. If any such indication exists, the recoverable amount of the asset is estimated when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the Cash Generating Unit to which the asset belongs to, is determined. Recoverable amount is the higher of fair value less costs of disposal and value in use. For assessing value in use, estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset. If the recoverable amount is to be less than its carrying value, an impairment loss is recognised immediately in profit and loss. It is reversed when impairment loss subsequently reverses.



I. Financial Instruments:

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

1. Financial Assets:

a) Initial Recognition and Measurement:

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent Measurement:

i) Debt Instruments at Amortised Cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is 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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

ii) Debt Instrument at FVOCI:

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

iii) Debt Instruments at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.



Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv) Equity Investments in Subsidiaries:

Investment in subsidiaries are measured at cost less accumulated impairment, if any.

v) Other Equity Investment:

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

For all other equity instruments, the Company may make 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 FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, 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 recognized in the P&L.

vi) Cash Flow Hedge:

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective, remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

vii) Impairment of Financial Assets:

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

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.



The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

c) Financial Liabilities:

i) Initial Recognition and Measurement:

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

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.

d) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

e) Compound Financial Instruments:

These are classified as financial liability and equity in accordance with substance of the arrangement.

J. Borrowing Costs:

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use or sale, in which case they are capitalised as part of the cost of those asset up to the date when the qualifying asset is ready for its intended use or sale.

Interest income earned on temporary investments of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

K. Taxation:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

1. Current Tax:

The tax currently payable is based on taxable profits for the year. Taxable profits differ from 'Profit Before Tax' as reported in the Statements of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.



2. Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

L. Employee Benefits:

1. Short Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

2. Post-Employment Benefits:

a) Defined Contribution Plans:

Liabilities recognised in respect of short-term employee benefits are measured at undiscounted amount of benefits to be paid.

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined Benefit Plans:

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity is calculated using the Projected Unit Credit Actuarial Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.



c) Other long term employee benefits:

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. The Company has a policy on compensated absences which are accumulating in nature.

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Re-measurement gains/losses are immediately taken to the statement of profit and loss.

M. Foreign Currency Transactions:

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

N. Inventories:

1. Inventories are valued as follows:

Raw materials, packing materials, stores and spares	Lower of cost and net realisable value. Cost is determined by using First in First Out (FIFO) method. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress, finished goods and traded goods	Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads.
Waste	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2. Work-in-progress, finished goods and traded goods have been valued as per the principles and basis consistently followed
3. Provision for obsolete/ old inventories is made, wherever required.



O. Cash and Cash Equivalents:

Cash and Cash Equivalents in the balance sheet comprise cash at bank, cash on hand and short term deposits with and original maturity of three months or less, which are subject to an insignificant risk of changes in value.

P. Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Q. Earnings Per Share:

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

R. Judgements, Estimates and Assumptions:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



1. Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Formulation of Accounting Policies:

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- i) relevant to the economic decision-making needs of users and
- ii) reliable in that financial statements:
 - represent faithfully the financial position, financial performance and cash flows of the entity;
 - reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
 - are neutral, i.e. free from bias;
 - are prudent; and
 - are complete in all material respects on a consistent basis.

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- i) the requirements in Ind ASs dealing with similar and related issues; and
- ii) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

b) Materiality:

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

2. Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



a) Impairment of Non-Financial Assets:

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual PPE as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

b) Taxes:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

T. Abbreviation Used:

CGU	Cash Generating Unit
DCF	Discounted Cash Flow
FVOCI	Fair value through Other Comprehensive Income
FVTPL	Fair value through Profit & Loss
GAAP	Generally Accepted Accounting Principal
Ind AS	Indian Accounting Standards
OCI	Other Comprehensive Income
P&L	Profit and Loss
PPE	Property, Plant and Equipment
SPPI	Solely Payment of Principal and Interest

