



Independent Auditor's Report

To the Members of INNOVATIVE CODES (I) PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of INNOVATIVE CODES (I) PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant 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 Companies Act, 2013 (Act) in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, total comprehensive loss (comprising of loss and other comprehensive loss), the 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 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.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 is not applicable to the Company as it is an unlisted company.



Information other than the financial statements and auditors report thereon:

The Board of directors of the company is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility report but does not include the financial statements and our auditor's Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 (including other comprehensive income), change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (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:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account .
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;



- (g) The Company being a private limited company, the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
 - a. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - b. no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

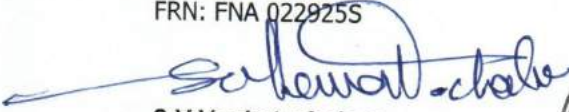


Venkatachalam S V & Associates
Chartered Accountants
Firm Reg.No.FNA 022925S

D-16, R.E.Apartment
New No.11 Old No.3,
Krishnapuram Street,
Choolaimedu, Chennai – 600094

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- v. The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

For and on behalf of
Venkatachalam S V & Associates
Chartered Accountants
FRN: FNA 022925S


S V Venkatachalam
Proprietor
Membership number: 021107.
UDIN: 23021107BGVIFL6959



Place: Chennai
Date: 29/04/2023

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' section of our report to the members of **INNOVATIVE CODES (I) PRIVATE LIMITED** of even date.

- 1) In respect of the Company's Fixed Assets :
 - a. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
The Company does not have any intangible assets.
 - b. The property, plant and equipment of the Company were physically verified by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us, we report that, the Company does not hold any freehold and leasehold immovable properties of land and building as at the balance sheet date.
 - d. The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.
 - e. In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.
- 2) In respect of the Company's Inventory:
 - a. The inventories have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
 - b. The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable.
- 3) In our opinion and according to information and explanation given to us, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to



- companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- 4) In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, paragraph 3 (v) of the Order is not applicable.
- 6) The Central Government of India has not prescribed the maintenance of Cost Records under sub-section(1) of Section 148 of the Act, for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- 7) In respect of statutory dues:
- a) According to information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account, in respect of undisputed statutory dues including Provident Fund, Employees State insurance, Income-Tax, Sales tax, Service Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State insurance, Income-Tax, Sales tax, Service Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- c) According to the information and explanation given to us, and the records of the company examined by us, there are no dues of income tax, sales tax, service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.
- 8) In In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.



- 9) 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 during the year.
- b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.
- d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.
- e) The Company does not have any subsidiaries/ associates/ joint-ventures and accordingly, paragraphs 3 (ix) (e) and 3 (ix) (f) of the Order are not applicable.
- f) In our opinion and according to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of the aforesaid loans raised.
- 10) a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term Loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
- 11) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraph 3 (xi) (a) of the Order is not applicable.
- b) Since there is no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year, paragraph 3 (xi) (b) of the Order is not applicable.



- c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints, have been received by the Company during the year.
- 12) The Company is not Nidhi Company and accordingly, Paragraph 3 (xii) of the Order is not applicable to the Company.
- 13) According to the information and explanation given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where ever applicable the details for such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) In our opinion and according to the information and explanations given to us, the Company does not have an internal audit system, commensurate with the size and nature of its business.
- 15) According to the information and explanation given to us, and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- 16) a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.
- d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.



- 17) The Company has incurred cash losses of Rs. 91.18 Lakhs in the immediately preceding financial year and there is no cash loss in the current financial year for the Year ended 31st Mar 2023.
- 18) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
- 19) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 20) a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified in Schedule VII to the Act.
- b) In our opinion and according to the information and explanations given to us, there are no amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- 21) In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For and on behalf of
Venkatachalam S V & Associates
Chartered Accountants
FRN: FNA 022925S

S V Venkatachalam
S V Venkatachalam
Proprietor
Membership number: 021107.
UDIN: 23021107BGVIFL6959



Place: Chennai
Date: 29/04/2023

INNOVATIVE CODES (I) PRIVATE LIMITED

BALANCE SHEET AS AT MAR 31, 2023

Particulars	Note No.	Rs. in Lakhs	
		31-Mar-23	31-Mar-22
I. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	2	45.71	46.43
(b) Capital Work-in-Progress		-	-
(c) Goodwill		-	-
(d) Other Intangible Assets		-	-
(e) Intangible Assets under Development		-	-
(f) Financial Assets		-	-
(i) Investments		-	-
(ii) Loans		-	-
(iii) Other Non-Current Financial Assets	3	0.60	-
		<u>46.31</u>	<u>46.43</u>
2. Current Assets			
(a) Inventories	4	198.59	70.12
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	5	116.64	47.85
(iii) Cash and Cash Equivalents	6	10.29	8.73
(iv) Bank Balances other than Cash And Cash Equivalents		-	-
(v) Other Current Financial Assets	7	17.26	15.20
(c) Current Tax Assets (Net)	8	0.23	0.17
(d) Other Current Assets			
		<u>343.01</u>	<u>142.07</u>
TOTAL ASSETS		<u>389.32</u>	<u>188.50</u>
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	200.00	200.00
(b) Other Equity	10	(134.72)	(125.88)
		<u>65.28</u>	<u>74.12</u>
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	11	2.50	-
(b) Provisions			
(c) Deferred Tax Liabilities (Net)	12	0.88	0.92
(d) Other Non Current Liabilities			
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	108.78	3.48
(ii) Lease liabilities	14	2.15	-
(iii) Trade Payables	15		
(a) Total Outstanding Dues of Micro and Small Enterprises		18.58	7.18
(b) Total Outstanding Dues of Creditors other than Micro and Small Enterprises		152.38	74.90
(iv) Other Financial Liabilities	16	21.38	19.77
(b) Other Current Liabilities	17	17.39	8.13
(c) Provisions			
(d) Current Tax Liabilities (Net)		-	-
		<u>324.04</u>	<u>114.38</u>
TOTAL EQUITY AND LIABILITIES		<u>389.32</u>	<u>188.50</u>

Significant Accounting Policies

Notes to the Financial Statements

The accompanying notes are an integral part of these Financial Statements.

As per our Report of even date attached

For Venkatachalam S V & Associates

Chartered Accountants
Firm Registration Number: 022925S

S.V.Venkatachalam
Proprietor
Membership No. 021107
UDIN: 23021107BGVIFL6959

Place: Chennai
Date 29/04/2023



1
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For and on behalf of Board of Directors

G.Umamaheswaran Jaideep Barve
Director Director
DIN: 06764840 DIN: 09685856

INNOVATIVE CODES (I) PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MAR 31, 2023

Particulars	Note No.	Rs. in Lakhs	
		2022-23	2021-22
I. Revenue from Operations	18	788.94	284.46
II. Other Income	19	0.24	0.76
III.Total Income (I + II)		789.18	285.22
IV. EXPENSES			
Cost of Material Consumed	20	60.11	10.79
Purchase of Stock-in-Trade	21	504.28	204.89
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(121.78)	(37.68)
Employee Benefits Expense	23	222.60	120.56
Finance Costs	24	5.22	11.33
Depreciation and Amortization Expense	25	9.17	5.53
Other Expenses	26	118.46	66.50
Total Expenses (IV)		798.06	381.92
V. Profit/(Loss) before Exceptional Items & Tax (III-IV)		(8.88)	(96.70)
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before Tax (V - VI)		(8.88)	(96.70)
VIII. Tax Expense :			
(1) Current Tax		-	-
(2) Deferred Tax		(0.04)	0.78
Total Tax Expenses (VIII)		(0.04)	0.78
IX. Profit/(Loss) for the year from continuing operations (VII-VIII)		(8.84)	(97.48)
X. Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
(1) Remeasurement of net defined benefit plans		-	-
(2) Income tax relating to above item		-	-
Total Other Comprehensive Income(X)		-	-
XI Total Comprehensive Income for the year		(8.84)	(97.48)
XII. Earnings per equity share of Rs. 10 each :	27		
Basic (Rs.)		(0.44)	(7.86)
Diluted (Rs.)		(0.44)	(7.86)

Significant Accounting Policies

Notes to the Financial Statements

The accompanying notes are an integral part of these Financial Statements.

As per our Report of even date attached

For Venkatachalam S V & Associates

Chartered Accountants

Firm Registration Number. 022925S

S.V.Venkatachalam

Proprietor

Membership No. 021107

UDIN: 23021107BGVIFL6959

Place: Chennai

Date 29/04/2023



1

2 to 41

For and on behalf of Board of Directors

G.Umamaheswaran

Director

DIN: 06764840

Jaideep Barve

Director

DIN: 09685856

INNOVATIVE CODES (I) PRIVATE LIMITED
Cash Flow Statement for the year ended 31st Mar 2023

	2022-23	2021-22
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	(8.88)	(96.70)
Adjustments for:		
Depreciation	9.17	5.53
Finance cost	5.22	11.33
Cash from operations before Working Capital Changes	5.52	(79.84)
Decrease/(Increase) in sundry debtors	(68.79)	(38.79)
Decrease/ (Increase) in Inventories	(128.47)	(36.14)
Decrease / (Increase) in Loans & Advances	-	45.00
Increase/ (Decrease) in Trade paybles	88.88	76.91
Increase/ (Decrease) in Current Liabilities	10.87	18.40
Increase/ (Decrease) in Other current assets	(2.12)	-
Increase/ (Decrease) in non - current assets	(0.60)	11.31
Cash generated from Operations	(94.72)	(3.15)
Income tax	-	-
Net Cash from/(used in) Operating Activities	(94.72)	(3.15)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase(-)/Sale of Fixed Assets	(2.50)	(20.41)
Dividends Received		
Net cash from/(used in) Investing Activities	(2.50)	(20.41)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Share Capital/ Share Application money	-	190.00
Increase/ Decrease(-)Secured Term Loans	-	(20.94)
Increase/ Decrease(-) in Short term Bank Borrowings	105.30	(127.49)
Interest Paid (Excluding Lease)	(4.63)	(11.33)
Lease Rent Payment	(1.89)	-
Net Cash from/(used in) Financing Activities	98.78	30.24
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1.56	6.68
Cash and Cash Equivalents (Opening)	8.73	2.05
Cash and Cash Equivalents (Closing)	10.29	8.73

Notes

1 The Cash Flow Statement has been prepared under the Indirect method as set out in the Indian accounting Standard (Ind AS7)- Statement of Cash flow

Significant Accounting Policies

Notes to the Financial Statements

The accompanying notes are an integral part of these Financial Statements.

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2 to 41

As per our Report of Even date.
for Venkatachalam S V & Associates
Chartered Accountants
Firm Reg.No.0229255

S.V.Venkatachalam
M.No.021107
UDIN : 23021107BGVIFL6959
Place : Chennai
Date: 29/04/2023



For and on behalf of Board of Directors

G.Umamaheswaran
Director
DIN: 06764840

Jaideep Barve
Director
DIN: 09685856

INNOVATIVE CODES (I) PRIVATE LIMITED

2. Property, Plant & Equipment

Rs. in Lakhs

Particulars	Building - Interior	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer	Right of use Assets	Total
Gross Block								
As at April 01, 2021	10.71	13.47	1.62	-	2.62	5.53	-	33.95
Additions	0.56	15.87	0.31	0.26	0.79	2.62		20.41
Deductions/Adjustments								
As at Mar 31, 2022	11.27	29.34	1.93	0.26	3.41	8.15	-	54.36
Additions		0.35	0.44		0.10	1.61	5.95	8.45
Deductions/Adjustments								-
As at Mar 31, 2023	11.27	29.69	2.37	0.26	3.51	9.76	5.95	62.80
Accumulated Depreciation								
As at April 01, 2021	1.09	0.79	0.10	-	0.16	0.26		2.40
Depreciation For the Year	2.11	1.25	0.12	-	0.45	1.60		5.53
Deductions/Adjustments								
As at Mar 31, 2022	3.21	2.04	0.22	0.00	0.61	1.86	-	7.93
Depreciation For the Year	2.62	1.87	0.20	0.02	0.65	2.18	1.62	9.17
Deductions/Adjustments	-	-	-	-	-	-	-	-
As at Mar 31, 2023	5.83	3.91	0.42	0.02	1.26	4.04	1.62	17.09
Net carrying Cost								
As at Mar 31, 2022	8.06	27.31	1.71	0.26	2.80	6.29	-	46.43
As at Mar 31, 2023	5.44	25.78	1.95	0.24	2.25	5.72	4.33	45.71



INNOVATIVE CODES (I) PRIVATE LIMITED

Note -05

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at Mar 31, 2023						
(i) Undisputed Trade Receivables – considered good	113.09	3.55	-	-	-	116.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
As at March 31, 2022						
(i) Undisputed Trade Receivables – considered good	45.55	2.30	-	-	-	47.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note -14

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payable							
As at March 31, 2023							
MSME	-	-	18.58	-	-	-	18.58
Others	-	-	152.38	-	-	-	152.38
Disputed Dues MSME	-	-	Nil	-	-	-	Nil
Disputed Dues Others	-	-	Nil	-	-	-	Nil
As at March 31, 2022							
MSME	-	-	7.18	-	-	-	7.18
Others	-	-	74.90	-	-	-	74.90
Disputed Dues MSME	-	-	Nil	-	-	-	Nil
Disputed Dues Others	-	-	Nil	-	-	-	Nil



Particulars	As at Mar 31, 2023	As at March 31, 2022
Authorised		
20,00,000 (Previous year 20,00,000) Equity shares of Rs. 10/-each	200.00	200.00
Issued, subscribed & Paid up		
20,00,000 (Previous year 20,00,000) Equity shares of Rs. 10/-each	200.00	200.00

Reconciliation of number of shares	As at Mar 31, 2023		As at March 31, 2022	
	Number of Shares	Share Capital	Number of Shares	Share Capital
Balance at the beginning of the year	2000000	20000000	100000	1000000
Changes during the year	-	-	1900000	19000000
Balance at the end of the year	2000000	20000000	2000000	20000000

Terms/ Rights attached to Equity Shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% shares in the company

Shareholder	As at Mar 31, 2023		As at March 31, 2022	
	Number of Shares	%	Number of Shares	%
Mr.Umamaheswaran	400000	20%	400000	20%
Control Print Limited	1600000	80%	1600000	80%
	2000000	100%	2000000	100%

Shares held by holding company

Sr No.	Holding Company Name	As at Mar 31, 2023			As at March 31, 2022		
		No. of Shares held	Percentage of total shares	Percentage change during the year	No. of Shares held	Percentage of total shares	Percentage change during the year
1	Control Print Limited	1600000	80.00%	0.00%	1600000	80.00%	80.00%
	Total	1600000	80.00%	0.00%	1600000	80.00%	0.00%

Shareholding of Promoters

Sr No.	Promoter name	As at Mar 31, 2023			As at March 31, 2022		
		No. of Shares held	Percentage of total shares	Percentage change during the year	No. of Shares held	Percentage of total shares	Percentage change during the year
1	Mr.Umamaheswaran	400000	20.00%	0.00%	400000	20.00%	-31.00%
2	Control Print Limited	1600000	80.00%	0.00%	1600000	80.00%	80.00%
	Total	2000000	100.00%		2000000	100.00%	



Statement of Change of Equity

Equity Share Capital		Rs. in Lakhs	
Particulars		Note	Amount
Balance as at April 01, 2021		9	10.00
Change in Equity Share Capital			190.00
Balance as at March 31, 2022		9	200.00
Change in Equity Share Capital			-
Balance as at Mar 31, 2023		9	200.00

i. For Current Reporting period

Balance at the beginning of the current reporting period of 2022-23	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
200.00	-	-	-	200.00

ii. For Previous reporting Period of 2021-22

Balance at the beginning of the previous reporting period of 2021-22	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
10.00	-	-	190.00	200.00

(B) OTHER EQUITY

Particulars	Rs. in Lakhs		
	General Reserve	Retained Earnings	Total
Balance as at April 01, 2021	-	(28.40)	(28.40)
Profit for the Year	-	(97.48)	(97.48)
Balance as at March 31, 2022	-	(125.88)	(125.88)
Profit for the Year	-	(8.84)	(8.84)
Balance as at Mar 31, 2023	-	(134.72)	(134.72)

Significant Accounting Policies

1

Notes to the Financial Statements

2 to 41

The accompanying notes are an integral part of these Financial Statements.

As per our Report of Even date.

for Venkatachalam S V & Associates

Chartered Accountants

Firm Reg.No. 0229255

For and on behalf of Board of Directors

G.Umamaheswaran

Director

DIN: 06764840

Jaideep Barve

Director

DIN: 09685856

S.V.Venkatachalam

M.No.021107

UDIN : 23021107BGVIFL6959

Place : Chennai

Date: 29/04/2023



INNOVATIVE CODES (I) PRIVATE LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MAR, 31 2023

Rs. in Lakhs

Particulars	31-Mar-23	31-Mar-22
Note- 03		
Others Non-Current Financial Assets		
Security Deposits - Others	0.60	-
	<u>0.60</u>	<u>-</u>
Note- 04		
Inventories		
Raw Materials & Components	10.37	3.69
Work-in-Progress	2.34	2.12
Finished Goods	31.59	11.32
Stock In Trade	154.29	52.99
	<u>198.59</u>	<u>70.12</u>
Note- 05		
Trade Receivables		
Others		
Unsecured, Considered Good	116.64	47.85
	<u>116.64</u>	<u>47.85</u>
Note- 06		
Cash and Cash Equivalents		
Cash On Hand	0.25	0.06
Balances With Banks		
In Current Accounts	6.52	7.67
Recurring Deposit - RBL Bank	3.52	1.00
	<u>10.29</u>	<u>8.73</u>
Note- 07		
Other Current Financial Assets		
Advance Payment - Indirect Taxes	-	4.25
Advances To Vendors	8.70	4.00
Prepaid Expenses	0.75	-
Security Deposits	7.46	6.90
Advances To Employees	0.35	0.05
	<u>17.26</u>	<u>15.20</u>
Note- 08		
Current Tax Asset (Net)		
Prepaid Taxes (Net of Provisions)	0.23	0.17
	<u>0.23</u>	<u>0.17</u>
Note- 11		
Other Non Current Liabilities		
Lease Liability	2.50	-
	<u>2.50</u>	<u>-</u>
Note- 12		
Deferred Tax Liability - Net		
Related To Property, Plant & Equipments	0.88	0.92
	<u>0.88</u>	<u>0.92</u>
Note- 13		
Borrowings		
Secured Loans Repayable On Demand From Bank	108.78	3.48
Secured Working capital loan of Rs.200 Lakhs from HDFC Bank against the hypothecation of Stocks and Receivables as well Corporate Guarantee given by Control Print Ltd Holding Company		
	<u>108.78</u>	<u>3.48</u>



Particulars	2022-23	2021-22
Note 14		
Lease liabilities	2.15	-
	<u>2.15</u>	<u>-</u>
Note- 15		
Trade Payable		
(a) Total Outstanding Dues of Micro and Small Enterprises	18.58	7.18
(b) Total Outstanding Dues of Creditors other than Micro and Small Enterprises	152.38	74.90
	<u>170.96</u>	<u>82.08</u>
The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid on payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	<u>-</u>	<u>-</u>
Note- 16		
Other Financial Liabilities		
Other Payables	19.90	17.29
Statutory Dues	1.48	2.48
	<u>21.38</u>	<u>19.77</u>
Note- 17		
Other Current Liabilities		
Advances From Customers	5.16	8.13
Income received in Advance	12.23	-
	<u>17.39</u>	<u>8.13</u>
Note- 18		
Revenue from Operations		
Sale of Manufacturing Goods	326.56	102.04
Sale of Trading Goods	431.34	175.30
Sale of Services	31.04	7.12
	<u>788.94</u>	<u>284.46</u>
Note- 19		
Other Income		
Insurance Claim	-	0.74
Forex Gain	0.07	0.02
Interest Income	0.17	-
	<u>0.24</u>	<u>0.76</u>
Note- 20		
Cost of Materials Consumed		
Opening Stock	3.69	5.24
Add : Purchases	66.79	9.24
	<u>70.48</u>	<u>14.48</u>
Less : Closing Stock	10.37	3.69
Cost of Materials Consumed	<u>60.11</u>	<u>10.79</u>
Note- 21		
Purchase of Stock-in-Trade		
Purchase of Traded Goods	504.28	204.89
	<u>504.28</u>	<u>204.89</u>



Particulars	2022-23	2021-22
INNOVATIVE CODES (I) PRIVATE LIMITED		
Note- 22		
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		
Inventories at the end of the year:		
Finished Goods	31.59	11.32
Stock-in-Trade	154.29	52.99
Work-in-Progress	2.34	2.12
	188.21	66.43
Inventories at the beginning of the year:		
Finished Goods	11.32	4.35
Stock-in-Trade	52.99	24.39
Work-in-Progress	2.12	0.00
	66.43	28.75
	(121.78)	(37.68)
Note- 23		
Employee Benefit Expenses		
Salaries, Wages and Bonus	210.76	114.14
Contributions to Provident and other Funds	9.42	4.28
Staff Welfare Expenses	2.42	2.14
	222.60	120.56
Note- 24		
Finance Costs		
Interest Expenses	3.87	6.89
Bank Commission & Charges	0.76	4.44
Interest on Lease	0.59	-
	5.22	11.33
Note- 25		
Depreciation and Amortisation Expense		
Depreciation on Property, Plant & Equipment	9.17	5.53
	9.17	5.53
Note- 26		
Other Expenses		
Auditor's Remuneration:	0.75	0.75
Communication Charges	1.52	0.77
Donation	0.01	0.01
Electricity Charges	2.35	1.70
Freight & Other Expenses	16.61	7.12
General Expenses	2.85	2.43
Insurance Charges	0.36	0.93
Bad Debts Written off	0.41	0.23
Preliminary Expenses Written Off	-	13.68
Balance written off/ back	(2.06)	-
Printing & Stationery	1.78	1.13
Professional Charges	0.62	0.83
Rates & Taxes	0.62	0.02
Rent	15.03	11.67
Repairs & Maintenance - Building	0.47	0.11
Repairs & Maintenance - Others	7.68	3.01
Sales & Market Promotion Expenses	9.81	0.92
Travelling Expenses	57.32	18.25
Development Expenses	1.85	2.68
Packing Material Purchase Account	0.45	0.22
Vehicle expenses	0.04	0.04
	118.46	66.50
Note- 27		
Earnings Per Equity Shares		
Profit After Tax (Rs. in Lakhs)	(8.84)	(97.48)
Weighted Average Shares Outstanding (Nos.)	20,00,000	12,40,000
Basic Earnings Per Equity Share (Face value of Rs.10/- each) - Amount in Rs.	(0.44)	(7.86)
Diluted Earnings Per Equity Share (Face value of Rs.10/- each) - Amount in Rs.	(0.44)	(7.86)
Note- 28		
Payment to Auditors Include		
Statutory Audit fees	0.75	0.75



Particulars	2022-23	2021-22
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Note -29

RELATED PARTY DISCLOSURES :

(I) Related Party Disclosures required under Ind AS - 24 are given below:

1. Relationship Name of the Related Parties

- (a) Holding Company CONTROL PRINT LTD
- (b) Key Management Personnel G.UMAMAHESHWARAN
JAIDEEP BARVE (APPOINTED W.E.F 25-Jul-22)
SHIVA BASANT KABRA
RAHUK KHETTRY (CEASED W.E.F. 25-Jul-22)
- (c) Director is a Partner GOOD & PROSPER TECHNOLOGIES

(II) Transactions during the year with related parties :

Rs. In Lakhs

1. Nature of Transaction	Name of Party	2022-23	2021-22
(a) Purchase of Printer & Consumables Net of GST*	Control Print Limited	213.38	73.57
(b) Sale of Printer & Consumables Net of GST*	Control Print Limited	24.77	-
(c) Purchase of Spares & Consumables Net of GST	Good & Prosper Technologies	22.15	33.49
(d) Machinery Purchase Net of GST	Good & Prosper Technologies	8.75	33.25
(e) Loan Repaid/Loan Received (-) Net	G.UMAMAHESHWARAN	-	74.86
(f) Director Remuneration	G.UMAMAHESHWARAN	37.00	28.22

* Purchase of Printer & Consumables from Control Print Limited related to period from 25th Aug 21 to 31st Mar 22 for Previous FY.

(iii) Balances as on year end

Name of The Party	As At Mar 31, 2023	As At March 31, 2022
Amount outstanding for Goods/ services Control Print Limited	127.03	67.70
Amount outstanding for Goods/ services Good & Prosper Technologies	16.47	4.11

Note -30

Contingent liabilities	NIL	NIL
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Note -31

Capital commitments	NIL	NIL
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Note -32

Company is not covered under section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) Obligation. In view of the same, related details have not been given.	Not Applicable	Not Applicable
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Note-33

Disclosure of Ratios

Particulars	Numerator	Denominator	As at Mar 31, 2023	As at Mar 31, 2022	Variance	Reasons for Variances above 25%
Current Ratio	Current Assets	Current Liabilities	1.12	1.19	-6%	
Debt-Equity Ratio	Total Debt	Shareholders Equity	4.96	1.54	221%	With increase in sales closer to 3 times as compared to previous year, there was requirement of working capital as well as support from Holding Company.
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-	(20.29)	-100%	The spurt in business activity coupled with robust Management practices resulted in a improved operating performance and better leverage of the debt.
Return on Equity Ratio (ROE)	Net profit after Taxes - Preference Dividend	Average Shareholders Equity	-12.68%	-97.46%	-87%	Growth in the business complimented by efficiencies in processes led to increased profits in this year.
Inventory Turnover Ratio	Cost of goods sold/sales	Average Inventory	6.52	6.53	0%	
Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	9.59	10.00	-4%	
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.52	4.91	-8%	
Net Capital Turnover Ratio	Net Sales	Working Capital	11.14	3.78	195%	Increase in operations led to increased usage of the assets in the company.
Net Profit Ratio	Net Profit	Net Sales	-1.12%	-34.17%	-97%	Company experienced almost triple growth in sales and also had better resource utilization leading to increase in net profits.
Return on Capital Employed	Earnings before interest and tax	Capital Employed	5%	-113.22%	105%	Growth in the business complimented by efficiencies in processes led to increased profits in this year.
Return on Investment	NA	NA	NA	NA	NA	



Note - 34

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, Hence relevant disclosures are not applicable.

Note - 35

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013, Hence no disclosure required.

Note - 36

There are no instances of any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Note - 37

The Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

Note - 38

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

Note - 39

There are no charges or satisfaction of Charges pending to be registered with Registrar of Companies beyond the statutory period.

Note - 40

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

Note 41

Previous year figures have been regrouped , reclassified wherever necessary

Significant Accounting Policies**Notes to the Financial Statements**

The accompanying notes are an integral part of these Financial Statements.

1

2 to 41

As per our Report of even date attached

For Venkatachalam S V & Associates

Chartered Accountants

Firm Registration Number: 022925S

G. Umamaheswaran

Director

DIN: 06764840

Jadeep Barve

Director

DIN: 09685856

S.V. Venkatachalam

Proprietor

Membership No. 021107

UDIN: 23021107BGVIFL6959

Place: Chennai

Date: 29/04/2023



SIGNIFICANT ACCOUNTING POLICIES**Company Information**

Innovative Code (I) Private Limited (ICIPL) is a Private Limited Company domiciled and incorporated in India. The Company is engaged in Trading of Coding & Marking Solutions and manufacture & Sale of Ink related consumables to Coding & Marking

1. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act.

2. Basis of preparation & presentation :

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. All assets and liabilities have been classified as current or non-current based on normal operating cycle of business activities of the Company, which is 12 months.

3. Use of Estimate

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4. Property Plant & Machinery

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Freehold land is not depreciated. The cost of an item of property, plant and equipment comprises its cost of purchase and any attributable cost of bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference



between the sales proceeds and the carrying amount of the asset and is recognized in statement of the profit and loss.

5. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

6. Depreciation and amortization

i. **Property Plant & Machinery**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives have been taken as specified by Schedule II to the Companies Act, 2013.

7. Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of the instrument. All the financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

8. Financial assets

(a) Financial Asset measured at Amortized Cost: The Company's financial assets primarily consists of cash and cash equivalents, trade receivables, loans to employees, security deposits and other eligible current and non-current assets which are classified as financial assets carried at amortized cost.

(b) De-recognition of Financial assets

A financial asset is derecognized when the contractual right to receive cash flows from the asset has expired; the company has transferred the financial asset along with all the risks and rewards or has assumed an obligation to pay the received cash flows in full to a third party under a pass-through arrangement.



(c) Impairment of Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected Credit Loss (ECL) is the difference between all contractual cash flows that are due in accordance with the contract and the cash flows expected to receive (i.e., all cash shortfalls).

9. Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity. The Company's financial liabilities include short-term borrowings, trade and other payables and other eligible current and non-current liabilities.

(a) Classification measurement and recognition

All recognized financial liabilities are subsequently measured at amortized cost. The Company de-recognize financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. Gain and losses are recognized in profit or loss when the liabilities are derecognized.

10. Offsetting of Financial Instruments

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

11. Inventories

The Inventory represents

- a) **Raw Material** : At lower of cost, on weighted average basis and net realizable Value
- b) **Work in Progress** : At lower of cost of material on weighted average basis, plus appropriate production overheads and net realizable value
- c) **Finished Goods Manufacturing**: At lower of cost of material on weighted average basis plus appropriate share of overhead and net realizable value.
- d) **Finished Trading goods**: At lower of cost, on weighted average basis and net realizable value.



12. Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods, and related services.

Company has adopted Indian Accounting Standard 115 (Ind AS 115) – 'Revenue from contracts with customers' using the modified retrospective approach i.e., cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e., April 1, 2021. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sales of manufactured goods, traded goods and related services are recognized when significant risks and rewards of ownership of the goods are transferred to the customer, recovery of the consideration is probable, the amount of revenue can be measured reliably, and all performance obligation related to contract is satisfied. Sales are disclosed net of returns and claims.

Other Income includes Interest Income, Gain on Foreign Exchange Fluctuations etc. Interest Income accrued on a time basis by reference to the principal outstanding and the effective interest rate.

13. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

14. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to the equity shareholders.



15. Employees Benefits :

(a) Short Term Employees Benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

(b) Long Term Employees Benefits

Defined Contribution Plans:

Contributions to the employee's provident fund, Employee's Pension Scheme are as per statute and are recognized as expenses during the year in which the employees perform the Services.

Defined Benefit Plans

Contributions to the Gratuity Act is applicable but provision is not made in absence of any employees not completing 5years of service with ICIPL

16. Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

17. Taxes on Income:

(a) Current Tax

Tax on income for the current period is determined on the basis of estimated taxable income and computed in accordance with the provisions of the relevant tax laws, outcome of past assessments / appeals and legal opinion sought by the Company.

(b) Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



18. Segment Reporting

The Company is engaged predominantly in Trading Coding & Marking Machines and consumables thereof. The Company has only One Reportable business segment identified by management namely Coding & Marking Machines and consumable thereof.

19. Provisions Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable. Provisions, contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed as the possibility of outflow of resources is remote.

20. Cash Flow Statements

Statement of Cash Flows is prepared segregating the cash flows into operating, investing, and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of changes during the period in inventories, operating receivables, payables, transactions of a non-cash nature such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates and all other items for which the cash effects are investing or financing cash flows.

21. Leases

As a Lessee

The Company has adopted Ind AS 17, Leases effective for accounting periods beginning on or after April 01, 2021 and applied the modified retrospective method and recognized Lease Liability under the head Other Non-Current Liabilities with corresponding recognition of right of-use assets under the head Property, plant and equipment and will not restate prior years.

The lease liability reflects the net present value of the remaining lease payments adjusted for payments made before the commencement date,



lease incentives and other items related to the lease agreement, and the right-of-use asset corresponds to the lease liability.

Upon adoption of the new standard, a portion of the annual operating lease costs, which was previously fully recognized as a rental / lease expense, is recorded as interest expense. In addition, the portion of the lease payments which represents the reduction of the lease liability is recognised in the cash flow statement as an outflow from financing activities, which was previously fully recognized as an outflow from operating activities.

Consequently, the Company has recognised an amount of ₹1.62 lakhs in depreciation expense and ₹ 0.59 Lakhs in finance costs for the year ended 31 March 2023.

For VENKATACHALAM SV & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 04215/2015

S. Venkatchalam
→ *charter*

S.V. VENKATACHALAM
Proprietor
Membership No. : 021107

