

OFFICINE LOVATO PRIVATE LIMITED

ANNUAL REPORT
2023-24



SANDIP SHAH & CO

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To

The Members of,

Officine Lovato Private Limited

❖ Opinion

We have audited the accompanying financial statements of **OFFICINE LOVATO PRIVATE LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements")..

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as March 31, 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity 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.

❖ **Material Uncertainty Related to Going Concern**

We draw attention to Note 37 in the financial statements, which indicates that the Company has incurred a net profit of Rs. 274.21 Lakhs during the year ended March 31, 2024 and, as of that date, the Company has a negative net worth of Rs. 63.29 Lakhs.

As stated in Note, in the opinion of the management, these events or conditions, does not indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

❖ **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the, Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

❖ **Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance 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 Responsibility 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 misstatements 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.

❖ **Basis for Qualified Opinion**

As more fully explained in note no. 40 to the financial statements, the Company had in earlier years received share application money from a foreign shareholder, which is pending allotment for the more than 180 days as at March 31, 2024. The Company has applied to the Reserve Bank of India (RBI) to regularize the delay and seek permission to allot equity shares,

however, specific approval for the same is pending to be received. Consequently, we are unable to comment on any liabilities / penalties / levies, if any.

❖ **Report on Other Legal and Regulatory Requirements**

1. This report does not contain a statement on the matters specified in paragraphs 3 and 4 of 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 Act, since in our opinion and according to the information and explanations given to us, the Order is not applicable in the case of the Company.

2. 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 appears from our examination of those books;

 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement 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 March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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;

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- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act as amended, we report that Section 197 is not applicable to a Private Company. Hence, reporting as per Section 197(16) is not required.
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other

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persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 36 of the financial statements and based on our examination, which included test checks, the Company, has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has been 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 the audit trail feature being tampered with.

As per proviso to rule 3(1) of the Companies (Accounts) Rules 2014 is applicable from April 1, 2023 reporting under rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For SANDIP SHAH & Co.
Chartered Accountants
Firm Reg. No.: 133680W

Sandip Shah
Proprietor
Membership No.: 103125

Place: Mumbai
Date: September 17, 2024

Officine Lovato Private Limited

Balance Sheet as at March 31, 2024

(Rs. in Lakhs)

	Note No.	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	5	-	115.43	131.84
(b) Capital work-in-progress	5	-	224.28	224.28
(c) Financial assets				
(i) Others financial assets	6	25.18	24.10	22.81
(d) Other non-current assets	7	-	2.56	2.56
Total non-current assets		25.18	366.37	381.49
Current assets				
(a) Inventories	8	77.71	77.71	77.71
(b) Financial assets				
(i) Trade receivables	9	-	43.71	84.31
(ii) Cash and cash equivalents	10	8.96	9.28	9.55
(c) Current tax assets (Net)	17	0.38	-	-
(d) Other current assets	11	-	5.00	4.83
Assets held for sale		323.26	-	-
Total current assets		410.31	135.70	176.40
Total assets		435.49	502.07	557.89
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	190.91	190.91	190.91
(b) Other Equity	13	(254.20)	(528.42)	(465.16)
Total Equity		(63.29)	(337.51)	(274.25)
LIABILITIES				
Non-current Liabilities				
(a) Deferred tax liabilities (net)	23	-	10.83	10.85
Total non-current Liabilities		-	10.83	10.85
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	14			
(a) total outstanding dues of micro enterprises and small enterprises		-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		483.12	798.07	764.58
(ii) other current financial liabilities	15	11.70	16.81	38.79
(b) Other current liabilities	16	3.96	12.45	16.36
(c) Current Tax Liabilities (Net)	17	-	1.42	1.56
Total current liabilities		498.78	828.75	821.30
Total Liabilities		498.78	839.58	832.15
Total equity and liabilities		435.49	502.07	557.89
The accompanying notes are an integral part of the Standalone Financial Statements	1 to 41			

As per our Report of even date

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Registration No.: 133680W

For and on behalf of the Board
Officine Lovato Private Limited

Sandip Shah
Proprietor
Membership No.: 103125


Virendra Vora
Director
DIN : 01331707


Paolo Cilloni
Director
DIN : 03470501

Place: Mumbai
Date: September 17, 2024

Place: Mumbai
Date: September 17, 2024

Officine Lovato Private Limited

Statement of Profit and Loss for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	Note No.	Year ended 31-Mar-24	Year ended 31-Mar-23
(i) Revenue from operations		-	-
(ii) Other Income	18	303.63	1.43
(iii) Total Income (i + ii)		303.63	1.43
(iv) Expenses			
Changes in inventory	19	-	-
Employee benefit expenses	20	12.00	12.00
Depreciation and amortisation expense	21	16.46	16.42
Other expenses	22	13.43	36.29
Total Expenses		41.89	64.71
(v) Profit before tax (iii - iv)		261.73	(63.28)
(vi) Tax Expenses	23		
(a) Current tax		(1.65)	-
(b) Deferred tax		(10.83)	(0.02)
(vii) Profit for the year (v - vi)		274.21	(63.26)
(viii) Other comprehensive income			
(a) Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		274.21	(63.26)
Earning per Equity Share (Face Value per Share Rs. 10/-)	24		
Basic & Diluted		14.36	(3.31)
The accompanying notes are an integral part of the Standalone Financial Statements	1 to 41		

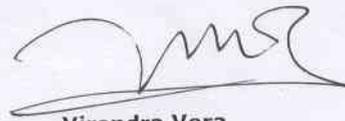
As per our Report of even date

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Registration No.: 133680W

For and on behalf of the Board
Officine Lovato Private Limited

Sandip Shah
Proprietor
Membership No.: 103125

Place: Mumbai
Date: September 17, 2024



Virendra Vora
Director
DIN : 01331707

Place: Mumbai
Date: September 17, 2024

Paolo Cilloni
Director
DIN : 03470501

Officine Lovato Private Limited

Statement of Cash Flow for the year ended on March 31, 2024

(Rs. in Lakhs)

	INFLOWS/(OUTFLOWS)	
	Year ended 31-Mar-24	Year ended 31-Mar-23
A Cash flow from Operating Activities		
Net Profit / (Loss) before tax	261.73	(63.28)
Adjustments for :		
Interest Received	(1.51)	(1.43)
Depreciation	16.46	16.42
	14.95	14.99
Operating Profit / (Loss) before Working Capital changes	276.68	(48.29)
Adjustments for Changes in the Working Capital		
Decrease/(Increase) in Trade Receivables	43.71	40.60
Decrease/(Increase) in Other non-current assets	2.56	-
Decrease/(Increase) in Others non-current financial assets	0.28	-
Decrease/(Increase) in Other current assets	5.00	(0.17)
Increase/(Decrease) in Trade Payables	(314.95)	33.49
Increase/(Decrease) in other current financial liabilities	(5.11)	(21.98)
Increase/(Decrease) in Other current liabilities	(8.48)	(3.91)
	(277.00)	48.03
Cash generated from Operations	(0.32)	(0.26)
Direct Taxes (Paid) / Refund (net)	(0.15)	(0.14)
Net Cash from Operating Activities (A)	(0.47)	(0.40)
B Cashflow from Investment Activities		
Fixed Deposits (placed)/matured (net)	0.15	0.14
Net Cash from Investment Activities (B)	0.15	0.14
C Cashflow from Financing Activities		
Net Cash from Financing Activities (C)	-	-
Net Cashflow (A + B + C)	(0.32)	(0.26)
Changes in the Cash & Bank Balances	(0.32)	(0.26)
Cash and Cash Equivalents at the beginning of the year	9.28	9.55
Cash and Cash Equivalents at the end of the year	8.96	9.28

The accompanying notes are an integral part of the Standalone Financial Statements

(1 to 41)

Note:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7- "Cash Flow Statements" as notified under Companies (Accounts) Rules, 2015.

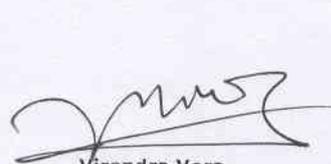
As per our Report of even date

For and on behalf of
For **SANDIP SHAH & Co**
Chartered Accountants
Registration No.: 133680W

For and on behalf of the Board
Officine Lovato Private Limited

Sandip Shah
Proprietor
Membership No.: 103125

Place: Mumbai
Date: September 17, 2024



Virendra Vora
Director
DIN NO.:01331707

Place: Mumbai
Date: September 17, 2024



Paolo Cilloni
Director
DIN NO.:O1280877

Officine Lovato Private Limited
Statement of Change in Equity for the year ended on March 31, 2024

(Rs. in Lakhs)

A Equity Share Capital

(i) Equity share capital as at March 31, 2024 is as follows:

Balance as at April 1, 2023	Changes in equity Share Capital due to prior period errors	Restated Balance as at April 1, 2023	Changes in equity share Capital during the Current year	Balance as at March 31, 2024
190.91	-	190.91	-	190.91

(ii) Equity share capital as at March 31, 2023 is as follows:

Balance as at April 1, 2022	Changes in equity Share Capital due to prior period errors	Restated Balance as at April 1, 2022	Changes in equity share Capital during the Current year	Balance as at March 31, 2023
190.91	-	190.91	-	190.91

B Other equity

Particulars	Securities Premium Account	Share application money pending allotment	Retained Earnings	Total other equity
Restated Balance as at April 1, 2022	5.99	3.08	(474.23)	(465.16)
Profit for the year	-	-	(63.26)	(63.26)
Total comprehensive income for the year	-	-	(63.26)	(63.26)
Balance as at March 31, 2023	5.99	3.08	(537.49)	(528.42)
Profit for the year	-	-	274.21	274.21
Total comprehensive income for the year	-	-	274.21	274.21
Balance as at March 31, 2024	5.99	3.08	(263.27)	(254.20)

The accompanying notes are an integral part of the Standalone Financial Statements

1 to 41

As per our Report of even date

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Registration No.: 133680W

For and on behalf of the Board
Officine Lovato Private Limited

Sandip Shah
Proprietor
Membership No.: 103125

Place: Mumbai
Date: September 17, 2024



Virendra Vora
Director
DIN :01331707

Place: Mumbai
Date: September 17, 2024



Paolo Cilloni
Director
DIN : 03470501

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

1 General Information:

Officine Lovato Private Limited was incorporated on October 3, 2001 as a subsidiary of Lovato Gas SpA, Italy. At present, Lovato Gas SpA, Italy is the immediate holding company and Landi Renzo SpA, Italy is the ultimate holding company.

The Company offers marketing support services and technical support services to its parent companies to enable them to export alternate fuels (CNG and LPG) systems from Italy to India.

2 Significant accounting policies and critical accounting estimates and judgments:

Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The words financial statements in the accounts should read as Ind-AS financial statements. These financial statements are the separate financial statements of the Company and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India.

b. Historical cost convention

The financial statements have been prepared on historical cost basis, except for the following:

- Certain financial assets and financial liabilities are measured at fair value (including derivative instruments);
- Defined benefit plans – plan assets are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

c. Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current / non-current basis".

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

Deferred tax assets and liabilities, and all assets and liabilities which are not current are classified as non-current assets and liabilities.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

d. Business Combination

The acquisition method of accounting is used to account for all business combinations (other than common control business combinations), regardless of whether equity instruments or other assets are acquired. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Business combinations arising from transfers of interests in entities that are under common control are accounted for using the pooling of interest method and as per the provisions of the Scheme approved by the regulator. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in Capital reserve.

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

e. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM).

The Board of Directors of the company have been identified as CODM and they are responsible for allocating resources, assessing the financial performance and position of the Company and make strategic decisions.

The Company has identified one reportable segment trading of marketing support services and technical support services based on information reviewed by the CODM. Refer note 25 for segment information presented.

f. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

g. Revenue recognition

Revenue from sale of goods

Revenue is generated primarily from sale of CNG & LPG Kits. Revenue is recognized at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer upon dispatch or delivery, in accordance with the terms of customer contracts. Revenue is recognized at an amount that the Company expects to receive from customers that is net of trade discounts and goods and service tax (GST).

h. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

i. Leases

As a lessee

Leases are recognized as a right-of-use asset and corresponding liability at the date which the lease asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on relative stand-alone prices

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

Assets and liabilities arising from lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing.
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable/condition are recognized in profit or loss in the period in which the condition that triggers those payment occurs.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement of date less any lease incentives received
- any initial direct costs. and

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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Notes to Ind AS Financial Statements

The company has elected not to apply the requirements of IND AS 116 Leases to short-term leases of all assets that, at the commencement date, have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

j. Impairment of non-financial assets

Assets are tested for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

k. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand, and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cashflow cash and cash equivalent consist of cash and short-term deposit as defined above.

l. Trade Receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

m. Inventories

Inventories are valued at lower of cost and net realisable value. In the case of traded goods, cost is determined in accordance with the first in first out principle. Costs include the purchase price, non – refundable taxes and delivery and handling costs. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

n. Non-Current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for subsequent increase in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-Current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

o. Investments and other financial assets

I. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and
- those measured at amortised cost.

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

II. Measurement

At initial recognition, the Company measures financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/ (losses). Impairment losses are presented as separate line item in the Statement of Profit and Loss.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in Statement of Profit and Loss.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Where the asset is disposed off, the cumulative gain or loss previously accumulated in the 'FVOCI - Equity Instrument' is directly reclassified to retained earnings. Impairment losses (and reversal of impairment losses), if any on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investment in subsidiaries is carried at cost less impairment loss, if any.

III. Impairment of financial assets

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109- 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

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Notes to Ind AS Financial Statements

IV. Derecognition of financial assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

p. Income recognition

Interest income

Interest income from financial assets is recognized using the effective interest rate method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognized as other income in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

q. Property, plant and equipment

All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when 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 any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management, which is in line with those specified by Schedule II to the Companies Act, 2013.

The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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Notes to Ind AS Financial Statements

The estimated useful lives of the property, plant and equipment are as under:

Assets Group	Useful lives
Plant and equipment	5 - 15 years
Computers	3 years
Computers – server	5 years
Freehold Building	60 years
Furniture and fixtures	10 years
Vehicles	8 years

r. Intangible assets:

Intangible assets being computer software, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognized as income or expense in the Statement of Profit and Loss.

Cost of software is amortised over a period of 5 years being the estimated useful life.

s. Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months of reporting period. Trade and other payables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method.

t. Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

u. Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

v. Provisions and Contingencies:

(i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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Notes to Ind AS Financial Statements

The estimated useful lives of the property, plant and equipment are as under:

Assets Group	Useful lives
Plant and equipment	5 - 15 years
Computers	3 years
Computers – server	5 years
Freehold Building	60 years
Furniture and fixtures	10 years
Vehicles	8 years

r. Intangible assets:

Intangible assets being computer software, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognized as income or expense in the Statement of Profit and Loss.

Cost of software is amortised over a period of 5 years being the estimated useful life.

s. Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months of reporting period. Trade and other payables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method.

t. Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

u. Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

v. Provisions and Contingencies:

(i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(ii) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

(iii) Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized but disclosed only when an inflow of economic benefits is probable.

w. Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post Employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity fund
- defined contribution plans such as provident fund and superannuation fund.

Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations and superannuation contributions to superannuation fund. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

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Notes to Ind AS Financial Statements

x. Contributed Equity

Equity shares are classified as equity.

Incremental cost directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax from the proceeds.

y. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

z. Earnings per share

Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the net profit for the period attributable to the owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per share

Diluted Earnings per share adjust the figures used in the determination of basic earnings per share to take into account;

- the after-income tax effect of interest and other financing cost associated with dilutive potential equity shares and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

aa. Exceptional items:

Exceptional items include income or expense that are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of their size, nature and incidence.

If the management believes that losses/ gain are material and is relevant to an understanding of the entity's financial performance, it discloses the same as an exceptional item.

ab. Rounding of amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3 Critical accounting estimates and judgements:

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items, which are more likely to be materially adjusted due to estimates and assumptions turning out to be different from those originally assessed.

• Estimation of useful life

Useful lives of property, plant and equipment are based on the management's estimation. The useful lives as estimated are same as prescribed in Schedule II of the Companies Act, 2013.

The useful lives of Company's assets are determined by management at the time the asset is acquired/capitalised and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology.

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

- **Estimation of defined benefit obligation**

The present value of obligations under defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer note 40 for the details of the assumptions used in estimating the defined benefit obligation.

- **Impairment of trade receivables**

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- **Fair value measurements and valuation processes**

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, fair values are determined on the basis of the third-party valuations. The models used to determine fair values including estimates/ judgements involved are validated and periodically reviewed by the management. Refer note 41 to the financial statements.

- **Inventory obsolescence**

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

- **Taxes**

Deferred tax assets are recognized for temporary differences 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 recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Notes to Ind AS Financial Statements

(Rs. in Lakhs)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Plant and equipment	Office equipment	Vehicles	Total	Capital work-in-progress
Gross block					
Balance as at April 01, 2022	246.48	9.63	25.66	281.77	224.28
Additions	-	-	-	-	-
Disposals / Transfer	-	-	-	-	-
Balance as at March 31, 2023	246.48	9.63	25.66	281.77	224.28
Additions	-	-	-	-	-
Disposals / Transfer	(246.48)	(9.63)	(25.66)	(281.77)	(224.28)
Balance as at March 31, 2024	-	-	-	-	-
Accumulated depreciation and impairment					
Balance as at April 01, 2022	114.63	9.63	25.66	149.93	-
Depreciation charge for the year	16.42	-	-	16.42	-
Disposals / Transfer	-	-	-	-	-
Balance as at March 31, 2023	131.04	9.63	25.66	166.34	-
Depreciation charge for the year	16.46	-	-	16.46	-
Disposals / Transfer	(147.51)	(9.63)	(25.66)	(182.80)	-
Balance as at March 31, 2024	-	-	-	-	-
Net carrying amount as on April 1, 2022	131.84	-	-	131.84	224.28
Net carrying amount as on March 31, 2023	115.44	-	-	115.43	224.28
Net carrying amount as on March 31, 2024	-	-	-	-	-

Aging of Capital work-in-progress:

(a) Amount in capital work-in-progress for:

As at March 31, 2024:

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at March 31, 2023:

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	-	224.28	224.28
Projects temporarily suspended	-	-	-	-	-
	-	-	-	224.28	224.28

(a) Completion schedule for capital work-in-progress where completion is overdue or has exceeded its cost compared to its original plan:

As at March 31, 2024:

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
- Plant & Machinery	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

As at March 31, 2023:

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
- Plant & Machinery	-	-	-	224.28	224.28
Projects temporarily suspended	-	-	-	-	-
	-	-	-	224.28	224.28

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Notes to Ind AS Financial Statements

(Rs. in Lakhs)

6. OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
(Unsecured, considered good unless otherwise stated)			
Security Deposits	-	0.28	0.28
Bank deposits with more than 12 months maturity	25.18	23.82	22.53
	25.18	24.10	22.81

7. OTHER NON-CURRENT ASSETS

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
(Unsecured, considered doubtful)			
Balances with government authorities	-	2.56	2.56
	-	2.56	2.56

8. INVENTORIES

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Finished goods	77.71	77.71	77.71
	77.71	77.71	77.71

9. TRADE RECEIVABLE

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Trade receivables from customers (Unsecured, considered good)	-	43.71	84.31
Less: Expected Credit Loss allowance	-	-	-
	-	43.71	84.31

Aging of Trade Receivables:

As at March 31, 2024:

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	-	-	-	-	-	-
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to Ind AS Financial Statements

(Rs. in Lakhs)

As at March 31, 2023:

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	-	-	-	-	43.71	43.71
Undisputed trade receivables – which have significant increase in credit	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	-	43.71	43.71

As at April 1, 2022:

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	-	-	-	69.60	14.72	84.31
Undisputed trade receivables – which have significant increase in credit	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-
	-	-	-	69.60	14.72	84.31

10. CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Cash in hand	-	0.31	0.31
Balances with banks in current accounts	8.96	8.97	9.24
	8.96	9.28	9.55

11. OTHER CURRENT ASSETS

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
(Unsecured, considered good)			
Advances to suppliers	-	0.98	0.98
Balances with government authorities	-	4.02	3.85
	-	5.00	4.83

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

12. EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
AUTHORISED			
2,000,000 Equity Shares of Rs. 10/- each	200.00	200.00	200.00
	200.00	200.00	200.00
ISSUED			
1,909,143 Equity Shares of Rs. 10/- each	190.91	190.91	190.91
	190.91	190.91	190.91
SUBSCRIBED & FULLY PAID UP			
1,909,143 Equity Shares of Rs. 10/- each	190.91	190.91	190.91
	190.91	190.91	190.91

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Issue / Buy back	Closing Balance
Equity shares with voting rights			
Year ended April 1, 2022			
- Number of Shares	19,09,143	-	19,09,143
- Amount	190.91	-	190.91
Year ended March 31, 2023			
- Number of Shares	19,09,143	-	19,09,143
- Amount	190.91	-	190.91
Year ended March 31, 2024			
- Number of Shares	19,09,143	-	19,09,143
- Amount	190.91	-	190.91

b) Details of equity shareholders holding more than 5% of equity shares:

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	%	No. of Shares	%	No. of Shares
Lovato Gas, SPA, holding company	74.00	14.13	74.00	14,12,765
ECO Fuel System (India) Private Limited	26.00	4.96	26.00	4,96,377

c) Disclosure of Shareholding of Promoters:

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Name of Promoters	As at March 31, 2024		As at March 31, 2023		% Change during the year
	%	No. of Shares	%	No. of Shares	
Lovato Gas, SPA, holding company	74.00	14,12,765	74.00	14,12,765	-

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Name of Promoters	As at March 31, 2023		As at March 31, 2022		% Change during the year
	%	No. of Shares	%	No. of Shares	
Lovato Gas, SPA, holding company	74.00	14,12,765	74.00	14,12,765	-

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Name of Promoters	As at March 31, 2022		As at March 31, 2021		% Change during the year
	%	No. of Shares	%	No. of Shares	
Lovato Gas, SPA, holding company	74.00	14,12,765	74.00	14,12,765	-
ECO Fuel System (India) Private Limited	26.00	4,96,377	26.00	4,96,377	-

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

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

The Company has one class of equity share having a par value of Rs.10 per share. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

e) Details of shares allotted without payment being received in cash in last five years:

The Company has not made any buy-back, nor there has been an issue of shares by way of bonus share nor issue of share pursuant to contract without payment being received / paid in cash for the period of five years immediately preceding the balance sheet date.

13. OTHER EQUITY

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Securities Premium Account	5.99	5.99	5.99
Share application money pending allotment	3.08	3.08	3.08
Retained earnings	(263.27)	(537.49)	(474.23)
	(254.20)	(528.42)	(465.16)

Securities Premium Account

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Balance at the beginning of the year	5.99	5.99	5.99
Add: Addition during the year	-	-	-
Less: Reduction during the year	-	-	-
Balance at the end of the year	5.99	5.99	5.99

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Share application money pending allotment

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Balance at the beginning of the year	3.08	3.08	3.08
Add: Addition during the year	-	-	-
Less: Reduction during the year	-	-	-
Balance at the end of the year	3.08	3.08	3.08

Share application money pending allotment are the allotment pending that the Company has received till date.

Retained earnings

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Balance at the beginning of the year	(537.49)	(474.23)	(454.88)
Add: Net Profit/(Loss) for the year	274.21	(63.26)	(19.35)
Add: Other comprehensive income (net of tax)	-	-	-
Balance at the end of the year	(263.27)	(537.49)	(474.23)

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

14. TRADE PAYABLES

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Dues to micro and small enterprises	-	-	-
Due to others	483.12	798.07	764.58
	483.12	798.07	764.58

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

Aging of Trade Payables:

As at March 31, 2024:

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-
Undisputed dues - Others	-	-	-	483.12	483.12
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	-	-	-	483.12	483.12

As at March 31, 2023:

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-
Undisputed dues - Others	-	-	-	798.07	798.07
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	-	-	-	798.07	798.07

As at April 1, 2022:

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-
Undisputed dues - Others	-	-	161.71	602.87	764.58
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	-	-	161.71	602.87	764.58

Micro, small and medium enterprise

Disclosure in respect to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') Act, 2006 is as follows:

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The principal amounts / interest payable amounts for delayed payments to such vendors as at Balance Sheet date during the current year and previous year mentioned below.

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
The principal amount remaining unpaid to any supplier registered under the Micro, Small and Medium Enterprises Development Act, 2006 and remaining unpaid as at the	-	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Amount of interest accrued and remaining unpaid for the year.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting	-	-	-
The amount of further interest 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.	-	-	-

Officine Lovato Private Limited

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(Rs. in Lakhs)

15. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Payable to employees	11.47	12.00	35.60
Share application money	0.23	0.23	0.23
Expenses Payable	-	4.58	2.96
	11.70	16.81	38.79

16. OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Statutory dues (including provident fund, tax deducted at source and others)	3.96	12.45	16.36
	3.96	12.45	16.36

17. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Provision for tax (Net of advance tax)	-	1.42	1.56
	-	1.42	1.56

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

18. OTHER INCOME

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Interest income on financial assets at amortised cost		
On fixed deposits	1.51	1.43
Other non-operating income		
Sundry balances written back (Net)	302.12	-
	303.63	1.43

19. CHANGES IN INVENTORY

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Opening balance	77.71	77.71
Closing balance	77.71	77.71
	-	-

20. EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Salaries, wages and bonus	12.00	12.00
	12.00	12.00

21. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Depreciation on property, plant and equipment (Refer note 5)	16.46	16.42
	16.46	16.42

22. OTHER EXPENSES

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Foreign exchange (Gain) / Loss	4.13	33.48
Rates and taxes	5.49	-
Professional & Consultation Charges	2.05	0.80
Miscellaneous Expenses	0.01	0.26
Payment to Auditors		
- Statutory audit fees	1.75	1.75
	13.43	36.29

Officine Lovato Private Limited

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(Rs. in Lakhs)

23. INCOME TAX

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

(a) Income tax recognised in statement of profit and loss:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Income tax expense		
(i) Current tax expense	-	-
Adjustment in respect of current tax of previous years	(1.65)	-
Total current tax expense	(1.65)	-
(ii) Deferred tax (benefit)/ expense		
Decrease (increase) in deferred tax assets	0.86	-
(Decrease) increase in deferred tax liabilities	(11.69)	(0.02)
Total deferred tax (benefit)/ expense	(10.83)	(0.02)
Total Income tax (benefit)/ expense	(12.48)	(0.02)

(b) Income tax recognised in other comprehensive income

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Income tax expense		
(i) Current tax expense	-	-
Total current tax expense	-	-
(ii) Deferred tax (benefit)/ expense	-	-
Total deferred tax (benefit)/ expense	-	-
Total Income tax (benefit)/ expense	-	-

(c) Reconciliation of effective tax rate:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Profit before tax	261.73	(63.28)
Tax at the Indian applicable tax rate 25.17%	65.87	(15.93)
Tax adjustments relating to previous year	(1.65)	-
Others	(76.70)	15.90
Income tax expense	(12.48)	(0.02)

(d) Tax assets

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Opening balance	1.42	1.56	0.31
Add: Refund received	-	-	1.39
Less: Taxes paid	(0.15)	(0.14)	(0.13)
Less: Current Tax adjustments relating to previous year	(1.65)	-	-
Closing balance	(0.38)	1.42	1.56
Income tax assets	0.38	-	-
Income tax liabilities	-	(1.42)	(1.56)
Net Tax liabilities	0.38	(1.42)	(1.56)

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

(e) Movement in deferred tax liabilities

Particulars	As at 31-Mar-24	As at 31-Mar-23	As at 1-Apr-22
Deferred tax liabilities	-	11.69	11.71
Less: Deferred tax assets	-	(0.86)	(0.86)
Deferred tax liability/(assets) (net)	-	10.83	10.85

(f) Movement of deferred tax balances

31-Mar-24

Particulars	As at March 31,	Recognised in Profit and	Recognised in OCI	As at March 31,
Property, plant and equipment	11.69	(11.69)	-	-
Total deferred tax liabilities	11.69	(11.69)	-	-
Provision for employee benefits	0.31	(0.31)	-	-
Other Provision	0.55	(0.55)	-	-
Total deferred tax assets	0.86	(0.86)	-	-
Deferred tax liability/(assets) (net)	10.83	(10.83)	-	-

31-Mar-23

Particulars	As at March 31,	Recognised in Profit and	Recognised in OCI	As at March 31,
Property, plant and equipment	11.71	(0.02)	-	11.69
Total deferred tax liabilities	11.71	(0.02)	-	11.69
Provision for employee benefits	0.31	-	-	0.31
Other Provision	0.55	-	-	0.55
Total deferred tax assets	0.86	-	-	0.86
Deferred tax liability/(assets) (net)	10.85	(0.02)	-	10.83

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

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24. EARNING PER SHARE

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
a. Profit for the year	274.21	(63.26)
b. Weighted average number of equity shares outstanding during the year	19,09,143	19,09,143
c. Basic and diluted earnings per share (Rs.)	14.36	(3.31)
d. Face value per share	10	10

25. SEGMENT INFORMATION

The Company's main business activity is primarily in marketing support services and technical support services to its parent companies to enable them to export alternate fuels (CNG and LPG) systems from Italy to India. All other activities are incidental to the main business activity. As such, there are no separate reportable segments, as per Indian Accounting Standard on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

26. RELATED PARTY DISCLOSURES

i) List of parties:

a) Ultimate Holding Company:

Landi Renzo SpA, Italy

b) Holding Company:

Lovato Gas SpA, Italy

c) Associate Company:

ECO Fuel System (India) Private Limited

d) Key Management Personnel:

Paolo Cilloni

Virendra Vora

e) Relative of Key Management Personnel:

Nemin Vora

f) Key Management Personnel have substantial interest in Company / firm:

Excel Developers

Note : Related parties have been identified by the Management.

ii) Transaction with related parties:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Key Management Personnel :		
Remuneration		
Nemin Vora	12.00	12.00

iii) Balance with related parties:

Particulars	As at 31-Mar-24	As at 31-Mar-23
Key Management Personnel :		
Employees Dues		
Nemin Vora	11.47	6.96
Holding Company:		
Trade Receivable		
Lovato Gas SpA	-	0.08
Trade Payables		
Lovato Gas SpA	483.12	606.47
Associate Company:		
Trade Receivable		
ECO Fuel System (India) Private Limited	-	28.99

ECO Fuel Systems (India) Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

27. FAIR VALUE MEASUREMENTS

(a) Financial instruments by category

Particulars	As At 31-Mar-24			As At 31-Mar-23		
	FVTPL	FVOCI	Amortised	FVTPL	FVOCI	Amortised
Financial assets						
Trade receivables	-	-	-	-	-	43.71
Cash and cash equivalents	-	-	8.96	-	-	9.28
Bank balances other than cash and cash equivalents	-	-	25.18	-	-	23.82
Security deposits	-	-	-	-	-	0.28
Total financial assets	-	-	34.14	-	-	77.09
Financial liabilities						
Trade payable	-	-	483.12	-	-	798.07
Other financial liabilities	-	-	11.70	-	-	16.81
Total financial liabilities	-	-	494.82	-	-	814.88

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

Financial Instrument not measured using Fair Value i.e. measured using amortized cost

The carrying value of Other financial assets / liabilities represent reasonable estimate of its fair value.

Note:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between any levels during the year.

The Company does not have financial instrument at level 3 with unobservable input and hence no sensitivity analysis performed.

(c) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31-Mar-24		As at 31-Mar-23	
	Carrying amount	Fair value ¹	Carrying amount	Fair value
Financial assets				
Security deposits	-	-	0.28	0.28
Bank deposits with more than 12 months maturity	25.18	25.18	23.82	23.82
Total financial assets	25.18	25.18	24.10	24.10
Financial Liabilities				
Borrowings (including accrued interest)	-	-	-	-
Lease liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

The carrying amounts of cash and cash equivalents, other bank balances, trade receivables, investment in mutual funds, inter corporate deposits, other financial assets, current financial liabilities- borrowings including accrued interest, lease liabilities, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short term nature.

ECO Fuel Systems (India) Private Limited

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(Rs. in Lakhs)

28. FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swap are entered to hedge certain foreign currency risk exposures and interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Credit limits, timely review, diversification of deposits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk	Recognised financial liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Others - limited exposure, unhedged

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Risk Management framework defines the risk management approach of the Company and includes collective identification of risks impacting the Company's business and documents their process of identification, mitigation and optimization of such risks.

Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through OCI and will be recognised in profit or loss when the hedged item affects profit or loss. This will effectively result in recognising interest expense at a fixed interest rate for the hedged loans and foreign currency borrowing at the fixed foreign currency rate.

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company has adopted a policy of only dealing with creditworthy counterparties.

Since the receivables on account of provision of services and loans are from related parties / promoter group companies, the risk of default is minimal. The credit risk on debt scheme of mutual funds / balances with banks is limited because the counterparties are banks or financial institutions with high credit-ratings assigned by credit-rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will fail in meeting its obligations to pay its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. In respect of its operations, the Company funds its activities primarily through cash generated in operations and working capital borrowings.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Cash which is not needed in the operating activities of the Company is invested in marketable liquid funds.

Based on recent trends observed, profitability, cash generation, cash surpluses held by the Company and the borrowing lines available, the Company does not envisage any material liquidity risks.

(i) Maturities of financial liabilities

The amounts disclosed below are the non derivative contractual undiscounted cash flows of financial liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31-Mar-24	On Demand	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non derivative financial liabilities					
Trade payables	-	483.12	-	-	483.12
Other financial liabilities	-	11.70	-	-	11.70
Total non derivative financial liabilities	-	494.82	-	-	494.82

31-Mar-23	On Demand	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non derivative financial liabilities					
Trade payables	-	798.07	-	-	798.07
Other financial liabilities	-	16.81	-	-	16.81
Total non derivative financial liabilities	-	814.88	-	-	814.88

ECO Fuel Systems (India) Private Limited

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(Rs. in Lakhs)

(c) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risks arise from recognised assets and liabilities, when they are denominated in a currency other than functional currency of the Company. The Company imports certain goods for trading of finished goods. Therefore it is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the Euro ("Eur"). Company's exposure to foreign currency risk due to operation is very limited and it always ensures that the such exposure is within the approved limit for which the Company does not require to hedge through derivatives.

The Company's unhedged foreign currency exposure at the end of the reporting period expressed in Rupees, are as follows:

Particulars	Foreign Currency Denomination	As at 31-Mar-24		As at 31-Mar-23	
		Foreign Currency	Amount in INR	Foreign Currency	Amount in INR
Financial assets					
Trade Receivable	EURO	-	-	0.00	0.08
Net exposure to foreign currency risk (assets)		-	-	0.00	0.08
Financial liabilities					
Trade Payable	EURO	5.36	483.12	6.77	606.47
Net exposure to foreign currency risk (liabilities)		5.36	483.12	6.77	606.47

Sensitivity

Particulars	Impact on profit before tax	
	Year ended 31-Mar-24	Year ended 31-Mar-23
Assets		
FX rate – increase by 5% on closing rate on reporting date*	-	0.00
FX rate– decrease by 5% on closing rate on reporting date *	-	(0.00)
Liabilities		
FX rate – increase by 5% on closing rate on reporting date*	(24.16)	(30.32)
FX rate– decrease by 5% on closing rate on reporting date *	24.16	30.32

* Holding all other variables constant

The above amounts have been disclosed based on the accounting policy for exchange differences.

29. CAPITAL MANAGEMENT

(a) Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. Gearing ratio is determined as net debt (total borrowings and lease liabilities net of cash and cash equivalents) divided by total 'equity'.

Particulars	As At 31-Mar-24	As At 31-Mar-23
Total debt	-	-
Less: Cash and cash equivalents	(8.96)	(9.28)
Net debt	(8.97)	(9.28)
Total equity	(63,28,967)	(3,37,50,866)
Net debt to equity ratio	14.18%	2.75%

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

30. CONTINGENT LIABILITY

Particulars	As at 31-Mar-24	As at 31-Mar-23
Income Tax Matters	336.83	335.22
Bank Guarantees	18.04	18.04

31. DISCLOSURE PURSUANT IND AS 115 REVENUE FROM CONTRACTS FROM CUSTOMERS

The Company generates revenue primarily from marketing support services and technical support services to its parent companies to enable them to export alternate fuels (CNG and LPG) systems from Italy to India.

(i) Revenue streams:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Sales of Goods	-	-

(ii) There are no material unsatisfied performance obligations for the year ended March 31, 2024. Further, entire revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer.

(iii) Disaggregation of revenue from contracts with customers:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
In the following table, revenue from contracts with customers is disaggregated by primary geographical market:		
Domestic	-	-
Exports	-	-

(iv) Contract balances:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
(a) Trade Receivables from contracts with customers:		
Trade Receivable (Gross) - Current (Refer Note 9)	-	43.71
Less : Provision for Impairment	-	-
Net Receivables	-	43.71
(b) Contract Liabilities		
Unearned Revenue	-	-
Total Contract Liabilities	-	-
(c) Contract Assets		
Unbilled Revenue	-	-
Total Contract Assets	-	-

(v) Reconciliation of revenue recognised with contract price:

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Revenue as per contract price	-	-
Less: Refund Liabilities - Sales Returns / Credits / Reversals	-	-
Less: Discounts and freight adjustments	-	-
	-	-

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

32. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowings from financial institutions on the basis of security of current assets. The quarterly statements of current assets filed by the Company with financial institutions is in agreement with the books of accounts.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Utilisation of borrowed funds and share premium

I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

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

(ix) Valuation of Property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

The Company does not have investment property.

33. OTHER REGULATORY INFORMATION

(i) Title deeds of immovable properties not held in name of the Company

There are no immovable properties held by the company.

Officine Lovato Private Limited

Notes to Ind AS Financial Statements

(Rs. in Lakhs)

34. ANALYTICAL RATIOS

Particulars	As at March 31, 2024	As at March 31,	% Variance	Reason for Variance
Current ratio:	0.82	0.05	1,709.90	Increase due to
<u>Current assets</u>	410.31	135.70		increase in
Current liabilities	498.78	2985.69		assets
Debt-Equity ratio*:	-	-	-	N. A.
<u>Total debts</u>	-	-		
Shareholder's Equity	-	-		
Debt service coverage ratio*:	-	-	-	N. A.
<u>Earnings available for debt service</u>	-	-		
Debt Service	-	-		
Return on equity ratio:	-1.37	0.21	-761.63	Decrease due to
[Net Profits after taxes – Preference Dividend (if any)]	274.21	(63.26)		increase of net
Average Shareholder's Equity	(200.40)	(305.88)		profit
Inventory Turnover Ratio**:	-	-	-	N. A.
<u>Sales</u>	-	-		
Average Inventory	-	-		
Trade receivables turnover ratio**:	-	-	-	N. A.
<u>Net Credit Sales</u>	-	-		
Average Accounts Receivable	-	-		
Trade payables turnover ratio***:	-	-	-	N. A.
<u>Net Credit Purchases</u>	-	-		
Average Trade Payables	-	-		
Net capital turnover ratio**:	-	-	-	N. A.
<u>Net Sales</u>	-	-		
Working Capital	-	-		
Net profit ratio %**:	-	-	-	N. A.
<u>Net Profit</u>	-	-		
Net Sales	-	-		
Return on capital employed %:	(413.55)	19.37	-2,234.84	Decrease due to
<u>Earning before interest and taxes (EBIT)</u>	261.73	(63.28)		increase of net
Capital Employed	(63.29)	(326.68)		profit
Return on investment****:	-	-	-	N. A.
<u>Income generated from invested funds</u>	-	-		
Average invested funds in investments	-	-		

* Ratio is not calculated as there is no Debt

** Ratio is not calculated as there is no Sales

*** Ratio is not calculated as there is no Purchases

**** Ratio is not calculated as there is no Investment

35. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No material events have occurred after the Balance Sheet date and upto the approval of the Ind AS financial statements.

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Notes to Ind AS Financial Statements

(Rs. in Lakhs)

36. The Company maintains its books of account in an accounting software for all financial transactions. As required by the proviso to rule 3(1) of the Companies (Accounts) Rules 2014, the Company migrated from the erstwhile accounting software to an accounting software that has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software.

37. As at March 31, 2024 the company has a negative net worth of Rs. 63.29 Lakhs (March 31, 2023 Rs. 337.51 Lakhs). During the year the net Profit is Rs. 274.21 Lakhs (in March 31, 2023 Net Loss is Rs. 63.26 Lakhs). As per the management assessment, there is no material uncertainty for preparation and presentation of financial statements on going concern basis. The management expects a positive turnaround in the operation of the company in future.

38. First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2024, the comparative information presented in these financial statements for the year ended March 31, 2023 and in the preparation of an opening Ind AS balance sheet at April 1, 2022 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1.1 Ind AS optional exemptions

A.1.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

A.1.2 Estimates

The entity's estimates in accordance with Ind AS at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimate relating to investment in equity instruments carried at FVOCI in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. There are no changes from previous GAAP to Ind AS.

39. TRANSFER PRICING

The Company has developed a system of maintaining of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Management is of the opinion that its international transactions are at arm's length, hence the aforesaid legislation will not have any impact on the financial statements.

40. SHARE APPLICATION MONEY, PENDING ALLOTMENT

The Company had received Rs 1,023,095 in two tranches during the period from October 29, 2001 to December 3, 2001 towards issue of equity shares to Lovato Gas SpA, including a sum of Rs 23,095 which is pending allotment of equity shares as at March 31, 2021. As per the Foreign Exchange Management Act (FEMA) 1999, the Company is required to allot shares within 180 days from the receipt of the share application money or the Company has to approach the Reserve Bank of India (RBI) with a definite action plan either for allotment of shares or refund of the share application money. On August 24, 2002, the Company had received the approval to remit back Rs 23,095. However, as at March 31, 2024, the said amount is not remitted back to Lovato Gas SpA.

The Company had received Rs 308,250 in two tranches during the period from February 16, 2006 to December 29, 2008 towards issue of equity shares to Lovato Gas SpA which is pending allotment as at March 31, 2021. As per the Foreign Exchange Management Act (FEMA) 1999, the Company is required to allot shares within 180 days from the receipt of the share application money or the Company has to approach RBI with a definite action plan either for allotment of shares or refund of the share application money.

The Company has applied to RBI with a request to grant permission for allotment of shares against the said share application money aggregating Rs 308,250; specific approval against the same is pending to be received.

41. APPROVAL OF FINANCIALS STATEMENTS

The Ind AS financial statements are authorised by the Board of Directors of the Company at their meeting held on September 17, 2024.

For and on behalf of
Sandip Shah & Co
Chartered Accountants
Registration No.: 133680W

Sandip Shah
Proprietor
Membership No.: 103125

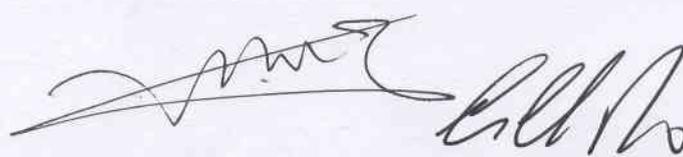
Place: Mumbai
Date: September 17, 2024

For and on behalf of the Board
Officine Lovato Private Limited

Virendra Vora
Director
DIN NO.:01331707

Place: Mumbai
Date: September 17, 2024

Paolo Cilloni
Director
DIN NO.:0128087



UDIN:	24103125BKBFUC8671
MRN/Name:	103125/SANDIP BHUPENDRA SHAH
Firm Registration No.:	133680W
Document type:	Audit and Assurance Functions
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Document Date:	17-09-2024
Create Date/Time:	15-11-2024 18:25:05
Financial Figures/Particulars:	
Financial Year:	01-03-2023-31-03-2024
PAN of the Assessee/ Auditee:	AAACO4411G
Gross Turnover/Gross Receipt:	0
Shareholder Fund/Owners Fund:	Rs. (63,29,667)
Net Block of Property, Plant & Equipment:	0
Document description:	Statutory Audit FY 2023-24

