

OFFICINE LOVATO PRIVATE LIMITED
ANNUAL REPORT 2022-23

PART - I
GENERAL INFORMATION

Name of the Assessee : Officine Lovato Private Limited
Date of Incorporation : 03.10.2001
ROC Registration No. : U34300MH2001PTC219419
Registered Address : Unit No.101, 8th Floor, Kamal Executive park,
Andheri Kurla Road, MIDC Lane,
Andheri East, Maharashtra - 400 059
Status : Company
Assessment Year : 2023-24
Previous Year : 01.04.2022 to 31.03.2023
Due Date of Filing Return :
Permanent account number : AAACO4411G
Bank : HDFC
Account No. : 0808630000181
IFSC Code : HDFC0000118
MICR Code : 400240026

PART - II
COMPUTATION OF TOTAL INCOME

Heads of Income	Rs	Rs
Profit & Loss from Business		
Net Profit/(Loss) Before Tax As Per Profit & Loss Accounts	(63,28,318)	
Add: <u>Expenses Disallowed</u>		
1) u/s 37 Interest on TDS & Late Fee		
2) u/s 40 TDS not Deducted 255000 *30%	-	
2) u/s 32 Depreciation as per Companies Act, 2013	<u>16,41,875</u>	
	(46,86,443)	
Less: <u>Expenses Allowed</u>		
1) u/s 32 Depreciation as per Income Tax Act, 1961	<u>13,02,074</u>	
	(59,88,517)	
<u>Less : Income Chargeable under the Head of IFOS</u>		
1) Interest on FD	1,42,733	
2) Interest on Income tax refund	-	
	<u>(61,31,250)</u>	
Less: Loss adjusted against Other Income	1,42,733	
Less: Business loss not carry forward	<u>59,88,517</u>	-
Income From other Sources		
1) Interest on FD	1,42,733	
2) Interest on Income tax refund	-	1,42,733
	<u>1,42,733</u>	
Less : Business loss set off		(1,42,733)
Net total Income		<u><u>-</u></u>

PART - III
COMPUTATION OF BOOK PROFIT U/S 115JB OF THE ACT

Book Profit u/s 115JB of the Act

Net Profit / (Loss) After Tax As Per Profit & Loss Account

(63,26,414)

Add: Deferred Tax

(2,304)

Net Book Profit / (Loss)

(63,28,718)

PART - IV
STATEMENT OF TAX ON TOTAL INCOME

Tax on Total Income @ 30%	[A]	<u>-</u>
Tax on Book Profit u/s 115JB @ 18.5%	[B]	<u>-</u>
Tax Payable; higher of A or B		-
Less: Tax Deducted at sources		-
Tax Payable / (Refund Due)		<u>-</u>



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, 2023, the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and Loss, 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 27 in the financial statements, which indicates that the Company has incurred a net loss of Rs. 63.26 Lakhs during the year ended March 31, 2023 and, as of that date, the Company has a negative net worth of Rs. 337.27 Lakhs.



B-402, 4th Floor, Sahayog Co. Op. Hsg. Soc. Ltd., S. V. Road, Kandivali (W), Mumbai – 400 067.
Tel. : 91 – 22 – 2863 7009, 81045 37734 • Email : sandip@sandipshah.com

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**

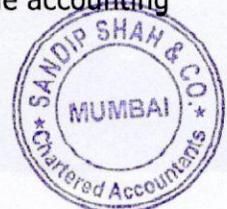
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the, Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance 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. 25 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, 2023. 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) 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. 20 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 persons or entities identified in any manner whatsoever by or on behalf

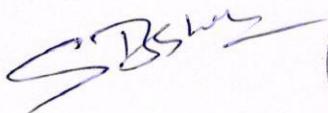


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of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (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.

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



Sandip Shah
Proprietor
Membership No.: 103125



Place: Mumbai
Date: September 16, 2023

Officine Lovato Private Limited

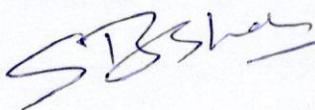
Statement of Profit and Loss for the year ended March 31, 2023

(Rupees in Lakhs)

	Note No.	Year ended 31-Mar-23	Year ended 31-Mar-22
I REVENUE FROM OPERATIONS		-	-
II OTHER INCOME	16	1.43	11.59
III TOTAL REVENUE [I +II]		1.43	11.59
IV EXPENSES		-	-
Purchase of Stock in Trade	17	-	-
Changes in Inventory	18	12.00	12.00
Employee Benefit Expenses	9	16.42	16.42
Depreciation and Amortisation Expense	19	36.29	2.81
Other Expenses			
Total Expenses		64.71	31.23
V PROFIT BEFORE TAX (III - IV)		(63.28)	(19.64)
VI TAX EXPENSE		-	-
Current Tax		(0.02)	(0.29)
Deferred Tax			
VII PROFIT FOR THE YEAR (V - VI)		(63.26)	(19.36)
Earning per Equity Share (Face Value per Share Rs. 10/-)		(3.31)	(1.01)
Basic & Diluted (Refer Note No. 27)			
Notes on Accounts	1 to 28		

As per our Report of even date

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

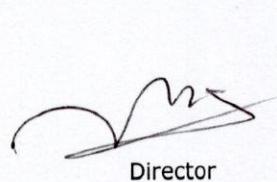


Sandip Shah
Proprietor
Membership No.: 103125

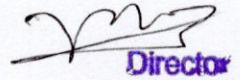
Place: Mumbai
Date: 16 SEP 2023



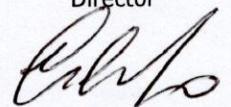
For and on behalf of the Board
Officine Lovato Private Limited
for OFFICINE LOVATO PRIVATE LIMITED



Director


Director

Place: Mumbai
Date: 14 SEP 2023


Director

Officine Lovato Private Limited

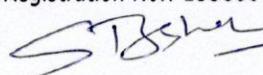
Balance Sheet as at March 31, 2023

(Rupees in Lakhs)

Particulars	Note No.	As at		As at	
		31-Mar-23		31-Mar-22	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	190.91		190.91	
Reserves and Surplus	4	(531.51)	(340.60)	(468.24)	(277.33)
Share Application Money			3.31		3.31
Non Current Liabilities					
Deferred Tax Liabilities	5		10.83		10.85
Current Liabilities					
Trade Payables	6	798.07		764.58	
Other Current Liabilities	7	12.45		16.36	
Short-term Provisions	8	18.00	828.52	40.13	821.06
Total			502.06		557.90
ASSETS					
Non-current Assets					
Fixed Assets					
- Tangible Assets	9	115.42		131.84	
Capital Work in Progress	9	224.28		224.28	
Long Term Loans and Advances	10	2.84	342.54	2.84	358.96
Current Assets					
Inventories	11	77.71		77.71	
Trade Receivables	12	43.71		84.31	
Cash and Bank Balances	13	27.33		27.59	
Short-term loans and advances	14	5.00		4.83	
Other Current Assets	15	5.78	159.53	4.49	198.94
Total			502.07		557.90
Notes on Accounts	1 to 28				

As per our Report of even date

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



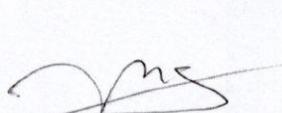
Sandip Shah
 Proprietor
 Membership No.: 103125

Place: Mumbai

Date: 16 SEP 2023



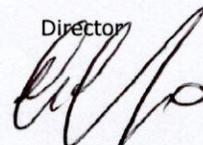
For and on behalf of the Board
Officine Lovato Private Limited
 "or OFFICINE LOVATO PRIVATE LIMITED"



Director



Director



Director

Place: Mumbai

Date: 14 SEP 2023

1. Background and principal business

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

2.1. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ("the Act") and the accounting principles generally accepted in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2014 issued by Central Government, in consultation with the National Advisory Committee on Accounting Standards ("NACAS"), to the extent applicable.

2.2. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

2.3. Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.



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

All other assets are classified as non-current.

Liabilities

- a. liability is classified as current when it satisfies any of the following criteria:
- b. it is expected to be settled in the company's normal operating cycle;
- c. it is held primarily for the purpose of being traded;
- d. it is due to be settled within 12 months after the reporting date; or
- e. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.4. Fixed assets and depreciation / amortisation

a. *Tangible assets*

Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises purchase price, duties, levies and directly attributable cost of bringing the asset to its working condition for the intended use.

Depreciation on fixed assets is provided on the straight line method, prorata to the period of use, over the useful life as prescribed in Schedule II to the Companies Act, 2013 or as estimated by the management, whichever is lower. The asset categories and their useful lives over which depreciation is provided are as under:



Officine Lovato Private Limited
Notes to financial statements for the year ended March 31, 2023

Asset group	Useful lives
Plant and Machinery	15 years
Computers	3 years
Computers – server	5 years
Office equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years

Fixed assets individually costing up to Rs 5,000 are depreciated fully in the year of purchase.

Leasehold improvements are amortised over the lease period on straight line basis.

b. Impairment

In accordance with AS 28 on 'Impairment of assets' as prescribed in the Companies (Accounting Standards) Rules, 2014, the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

2.5. Revenue recognition

Income from operations comprise income from marketing support services and technical support services to the parent companies. Revenue is recognised on a periodic basis in accordance with the terms of the contractual agreement.



2.6. Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions. Exchange difference arising on foreign currency transactions, between the actual rate of settlement and the rate on the date of the transactions, is charged or credited to the statement of profit and loss.

Monetary assets and liabilities in foreign currency, which are outstanding as at the yearend and not covered by forward contracts, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

Investments intended, at the time of acquisition, to be held for a period exceeding twelve months are classified as "Non-Current Investments". All other Investments are classified as "Current Investments".

Investments are accounted on trade date at cost of acquisition which includes brokerage and other charges.

Current Investments are valued at cost or market value, whichever is lower, whereby the cost of each scrip is compared with its market value and the resultant shortfall, if any, is charged to revenue.

Non-Current Investments are stated at cost less provision, if any, for diminution which is considered other than temporary in nature.

2.7. Employee benefits

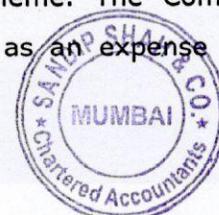
a. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the ex-gratia are recognised in the period in which the employee renders the related service.

b. Post-employment benefits

Defined contribution plans

The Company makes specified monthly contributions to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution paid / payable under the scheme is recognised as an expense in the



statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. In the current year, the Company has determined the gratuity liability based on the internal calculation since the Company has less than ten employees.

c. Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability. During the current period, the Company has determined the liability for compensated absences based on the internal calculation since the Company has less than ten employees.

2.8. Taxes on Income

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the provisions of Indian Income-tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets is recognised for the future tax consequence attributable to the timing differences between the profits offered for income taxes and profits as per the Company's financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.



2.9. Leases

Lease rentals in respect of assets acquired on operating lease are charged off to the statement of profit or loss as incurred on straight line basis over the lease term.

2.10. Provisions and Contingent Liabilities

A provision is recognised when:

- a. the Company has a present obligation as a result of a past event;
- b. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

2.11. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of shares outstanding during the year.



Officine Lovato Private Limited

Notes to Financial Statements for the year ended 31st March 2023

(Rupees in Lakhs)

NOTE 3 - SHARE CAPITAL	As at 31-Mar-23	As at 31-Mar-22
AUTHORISED		
2,000,000 (March 31, 2020: 2,000,000) Equity Shares of Rs 10 each	200.00	200.00
Total	200.00	200.00
ISSUED		
1,909,143 (March 31, 2020: 2,000,000) Equity Shares of Rs 10 each	190.91	190.91
Total	190.91	190.91
SUBSCRIBED & FULLY PAID UP		
1,909,143 (March 31, 2020: 1,909,143) Equity Shares of Rs 10 each	190.91	190.91
Total	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	Issue / Buy	Closing Balance
Equity shares with voting rights			
Year ended March 31, 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

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding company are as below:

(Rupees in Lakhs)

	As at 31-Mar-23	As at 31-Mar-22
1,909,142 (March 31, 2023: 1,909,142) equity shares of Rs 10 each fully paid	190.91	190.91

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	%	No. of Shares	%	No. of Shares
Equity shares of Rs 10 each fully paid				
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

c) Disclosure of Shareholding of Promoters:

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

Name of Shareholder	Year ended March 31, 2023		Year ended 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	-
ECO Fuel System (India) Private Limited	26.00	4,96,377	26.00	4,96,377	-

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Name of Shareholder	Year ended March 31, 2022		Year ended 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 Financial Statements for the year ended 31st March 2023

(Rupees in Lakhs)

NOTE 4 - RESERVES AND SURPLUS	As at 31-Mar-23	As at 31-Mar-22
Securities Premium Account		
Balance at the beginning of the Year	5.99	5.99
Add: for the Year		
Closing Balance	5.99	5.99
Surplus		
Balance at the beginning of the Year	(474.23)	(454.88)
Add: Net Profit / (Loss) for the Year	(63.26)	(19.36)
Closing Balance	(537.50)	(474.23)
Total	(531.51)	(468.24)

(Rupees in Lakhs)

NOTE 5 - DEFERRED TAX LIABILITIES	As at 31-Mar-23	As at 31-Mar-22
Deficit of depreciation in accounts over depreciation under income tax law	11.69	11.71
Provision for employee benefits	(0.55)	(0.31)
Other Provision	(0.31)	(0.55)
Total	10.83	10.85

(Rupees in Lakhs)

NOTE 6 - TRADE PAYABLES	As at 31-Mar-23	As at 31-Mar-22
Others <i>(As per the information available with the Company, there are no dues outstanding as on March 31, 2023 to any micro, small and medium enterprise as defined under section 7 of Micro, Small & Medium Enterprises Development Act, 2006)</i>	798.07	764.58
Total	798.07	764.58

Aging of Trade Payables:

As at March 31, 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	636.36	798.07
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	-	-	161.71	636.36	798.07

As at March 31, 2021

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	10.41	592.47	764.58
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	-	161.71	10.41	592.47	764.58

(Rupees in Lakhs)

NOTE 7 - OTHER CURRENT LIABILITIES	As at 31-Mar-23	As at 31-Mar-22
Other Payables		
Statutory Remittances <i>(Sales tax, Profession Tax and TDS, etc.)</i>	12.45	16.36
Total	12.45	16.36

(Rupees in Lakhs)

NOTE 8 - SHORT-TERM PROVISIONS	As at 31-Mar-23	As at 31-Mar-22
Provision for employee benefits		
Employee Dues	12.00	35.60
Other Provisions		
Provision for outstanding expenses	4.58	2.96
Provision for Income Tax <i>(Net)</i>	1.42	1.56
Total	18.00	40.13



Officine Lovato Private Limited

Notes to Financial Statements for the year ended 31st March 2023

		(Rupees in Lakhs)	
NOTE 10 - LONG - TERM LOANS AND ADVANCES		As at 31-Mar-23	As at 31-Mar-22
Security Deposits <i>(Unsecured considered good)</i>		0.28	0.28
Balance with Government authorities Custom Duty Deposit		2.56	2.56
Total		2.84	2.84

		(Rupees in Lakhs)	
NOTE 11 - Inventories		As at 31-Mar-23	As at 31-Mar-22
Stores and Spares		77.71	77.71
Total		77.71	77.71

		(Rupees in Lakhs)	
NOTE 12 - TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)		As at 31-Mar-23	As at 31-Mar-22
Trade Receivable		43.71	84.31
Less: credit impaired		-	-
Total		43.71	84.31

Ageing of Trade Receivables:

As at March 31, 2023

(Rupees in Lakhs)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	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 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	-	-	-	43.71	-	43.71
	-	-	-	43.71	-	43.71

As at March 31, 2022

(Rupees in Lakhs)

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	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	-	-	-	69.60	14.72	84.31
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	-	-	-	-	-	-
	-	-	-	69.60	14.72	84.31

NOTE 13 - CASH AND BANK BALANCES

		(Rupees in Lakhs)	
NOTE 13 - CASH AND BANK BALANCES		As at 31-Mar-23	As at 31-Mar-22
Cash and Cash Equivalents		0.31	0.31
Cash on Hand		-	-
Balances with Banks		8.98	9.24
In Current Accounts		18.04	18.04
Bank deposits		-	-
Total		27.33	27.59

* Bank deposits amounting to Rs. 18.04 Lakhs are of maturity of more than 12 months as on March 31, 2023



Officine Lovato Private Limited

Notes to Financial Statements for the year ended 31st March 2023

(Rupees in Lakhs)

NOTE 14 - SHORT-TERM LOANS AND ADVANCES (Unsecured, Considered Good)	As at 31-Mar-23	As at 31-Mar-22
Advances recoverable in cash or kind Suppliers	0.98	0.98
Others Input Credit of GST	4.02	3.85
Total	5.00	4.83

(Rupees in Lakhs)

NOTE 15 - OTHER CURRENT ASSETS (Unsecured, Considered Good)	As at 31-Mar-23	As at 31-Mar-22
Interest accrued on Deposits	5.78	4.49
Total	5.78	4.49

(Rupees in Lakhs)

NOTE 16 - OTHER INCOME	Year ended 31-Mar-23	Year ended 31-Mar-22
Interest on bank fixed deposits	1.43	1.35
Interest on Income Tax Refund	-	0.14
Foreign exchange (Gain) / Loss	-	9.74
Other	-	0.36
Total	1.43	11.59

(Rupees in Lakhs)

NOTE 17 - CHANGE IN INVENTORY OF FINISHED GOODS	Year ended 31-Mar-23	Year ended 31-Mar-22
Inventory at Commencement Stores and Spares	77.71	77.71
Inventory at End Stores and Spares	77.71	77.71
Total	-	-

(Rupees in Lakhs)

NOTE 18 - EMPLOYEE BENEFIT EXPENSES	Year ended 31-Mar-23	Year ended 31-Mar-22
Salaries	12.00	12.00
Total	12.00	12.00

(Rupees in Lakhs)

NOTE 19 - OTHER EXPENSES	Year ended 31-Mar-23	Year ended 31-Mar-22
Bank Charges	0.26	0.04
Foreign exchange (Gain) / Loss	33.48	-
Professional Fees	0.80	1.02
Payment to Auditors - Audit fees	1.75	1.75
Total	36.29	2.81



NOTE 9 - FIXED ASSETS

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As At 01/04/2022	Additions	Adjustments	As At 01/04/2022	For the Year	Adjustments	As At 31/03/2023	As At 31/03/2023
Tangible Assets								
Plant & Machinery	246.48	-	-	114.63	16.42	-	131.05	115.42
Office Equipments	9.63	-	-	9.63	-	-	9.63	-
Vehicles	25.66	-	-	25.66	-	-	25.66	-
Total Rs	281.77	-	-	149.93	16.42	-	166.34	115.42
<i>Previous Year Rs</i>	<i>281.77</i>	-	-	<i>133.51</i>	<i>16.42</i>	-	<i>149.93</i>	<i>131.84</i>
Capital Work in Progress	224.28	-	-	-	-	-	-	224.28



Officine Lovato Private Limited

Notes on accounts forming part of the Balance Sheet for the year ended March 31, 2023

NOTE 20 - CONTINGENT LIABILITIES

(Rupees in Lakhs)

Particulars	As at	As at
	31-Mar-23	31-Mar-22
Income Tax Matters	335.22	-
Bank Guarantees	18.04	18.04
Total	353.27	18.04

NOTE 21 - UN-HEDGED FOREIGN EXCHANGE CURRENCY EXPOSURE

Particulars	Amount in foreign currency (Euro)		Amount in Rupees	Amount in Rupees
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Trade Receivable (Euro 80/-)	80.00	80.00	0.08	0.08
Trade Payable	6,76,810.00	6,76,810.00	606.47	572.99

NOTE 22 - 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:**

Virendra Vora

Carlo Alberto Pedroni

Paolo Cilloni

Alberto Barbieri

Carlo Gardella

e) **Relative of Key Management Personnel:**

Nemin Vora

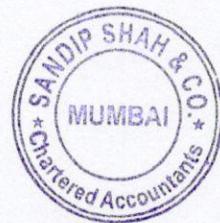
f) **Key Management Personnel have substantial interest in Company / firm:**

Excel Developers

Note : Related parties have been identified by the Management.

ii) Transaction with related parties:

Particulars	Year ended	Year ended
	31-Mar-23	31-Mar-22
Key Management Personnel :		
Remuneration		
Nemin Vora	12.00	12.00



Officine Lovato Private Limited

Notes on accounts forming part of the Balance Sheet for the year ended March 31, 2023

iii) Balance with related parties:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Key Management Personnel :		
Employees Dues Nemin Vora	6.96	30.56
Holding Company:		
Trade Receivable Lovato Gas SpA	0.08	69.60
Trade Payables Lovato Gas SpA	606.47	572.99
Associate Company:		
Trade Receivable ECO Fuel System (India) Private Limited	28.99	84.31

NOTE 23 - EARNINGS PER SHARES ('EPS') (AS-20)

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
a. Net Profit after Taxation available for equity shareholders	(63.26)	(19.36)
b. Weighted average number of equity shares outstanding during the year	19,09,143	19,09,143
Earnings per share of Rs. 10/- each		
- Basic	(3.31)	(1.01)
- Diluted	(3.31)	(1.01)
Face value per share	10	10

NOTE 24 - 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.

NOTE 25 - SHARE APPLICATION MONEY, PENDING ALLOTMENT

- a. The Company had received Rs 10.23 Lakhs 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 0.23 Lakhs which is pending allotment of equity shares as at March 31, 2022. 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 0.23 Lakhs. However, as at March 31, 2023, the said amount is not remitted back to Lovato Gas SpA.
- b. The Company had received Rs 0.03 Lakhs 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, 2023. 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 Rs 0.03 Lakhs; specific approval against the same is pending to be received.

NOTE 26 - ADDITIONAL REGULATORY INFORMATION

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

(a) Ratios

Particulars	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for Variance
Current ratio:	0.19	0.24	-0.05	N. A.
<u>Current assets</u>	159.53	198.94		
<u>Current liabilities</u>	828.52	821.06		
Debt-Equity ratio*:	-	-	-	N. A.
<u>Total debts</u>	-	-		
<u>Shareholder's Equity</u>	-	-		



Officine Lovato Private Limited

Notes on accounts forming part of the Balance Sheet for the year ended March 31, 2023

Debt service coverage ratio*:	-	-	-	N. A.
<u>Earnings available for debt service</u>	-	-		
Debt Service	-	-		
Return on equity ratio:	0.20	0.08	0.12	N. A.
[Net Profits after taxes – Preference Dividend (if any)]	(63.26)	(19.36)		
Average Shareholder's Equity	(308.96)	(239.97)		
Inventory Turnover Ratio**:	-	-	-	N. A.
<u>Sales</u>	-	-		
Average Inventory	-	-		
Trade receivables turnover ratio:	-	-	-	N. A.
<u>Net Credit Sales</u>	-	-		
Average Accounts Receivable	64.01	95.39		
Trade payables turnover ratio:	-	-	-	N. A.
<u>Net Credit Purchases</u>	-	-		
Average Trade Payables	781.33	762.46		
Net capital turnover ratio:	-	-	-	N. A.
<u>Net Sales</u>	-	-		
Working Capital	(645.56)	(601.92)		
Net profit ratio %**:	-	-	-	N. A.
<u>Net Profit</u>	-	-		
Net Sales	-	-		
Return on capital employed %:	19.19	7.37	11.82	N. A.
<u>Earning before interest and taxes (EBIT)</u>	(63.28)	(19.64)		
Capital Employed	(329.77)	(266.48)		
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 Investment

- (b) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (d) The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the
- (e) The Company does not have any transactions with struck-off companies
- (f) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- (g) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.
- (h) The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;
1. 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
 2. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (i) The Company has not received any funds 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;
1. 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
 2. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (j) The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (k) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



Officine Lovato Private Limited

Notes on accounts forming part of the Balance Sheet for the year ended March 31, 2023

- (l) The Company has not revalued its property, plant and equipment or intangible assets or both during the current or
- (m) The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

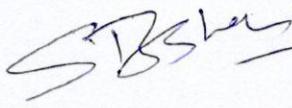
NOTE 27

As at March 31, 2023 the company has a negative net worth of Rs. 337.27.02 Lakhs (March 31, 2022 Rs. 274.01 Lakhs). During the year the net loss is Rs. 63.26 Lakhs (March 31, 2022 Rs. 19.36 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.

NOTE 28

Previous year's figures have been regrouped / reclassified, wherever necessary

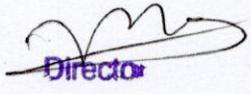
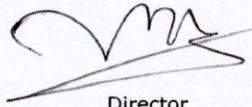
For and on behalf of
Sandip Shah & Co
Chartered Accountants
Registration No.: 133680W



Sandip Shah
Proprietor
Membership No.: 103125

Place: Mumbai
Date: 16 SEP 2023

For and on behalf of the Board
Officine Lovato Private Limited
for OFFICINE LOVATO PRIVATE LIMITED



Director

Director

Place: Mumbai
Date: 14 SEP 2023

