

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)**

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2024, its Loss 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 of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Act 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 audit opinion on the Ind AS financial statements.

#### Key Audit Matters

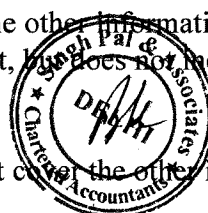
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### Other Information or another title if appropriate, such as "Information Other than Ind AS Financial Statements and Auditor's Report Thereon"

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

### **Responsibilities of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended]. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

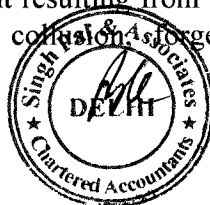
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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,



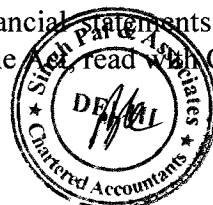
- misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

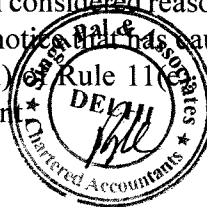
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the 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) We do not have any observation or comment on the Ind AS financial statements or matters which have any adverse effect on the functioning of the Company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 amounts to Rs. Nil and hence the Company is in compliance with the provisions of section 197 read with Schedule V to the Act;
- (i) 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, as amended 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 Ind AS financial statements;
  - ii. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
  - iii. There is no amount which was required to be transferred to 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 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 which has caused us to believe that the representations under sub-clause (i) and (ii) as provided under (a) and (b) above, contain any material misstatement.



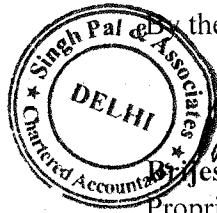
- v. The Company has not declared any dividend or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same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

**For SINGH PAL & ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 023070N

By the hand of



*[Signature]*  
By **Jesh Kumar Singh**

Proprietor

Membership No.: 509943

UDIN: 24509943 BKCR005283

Place: New Delhi  
Date: May 20, 2024

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT [Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Gadget Builders Limited (Formerly known as Gadget Builders Private Limited) of even date]**

*(i) In respect of its Property, Plant & Equipment:*

- a. 1). The Company has maintained proper records showing the full particulars, including quantitative details and situation of Property, Plant and Equipment.
- 2). The Company has no intangible assets as at the end of the year; therefore this clause for disclosure of proper records showing the full particulars of intangible assets is not applicable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified. In accordance with this programme, certain property, plant and equipment were verified during the year on 31<sup>st</sup> March, 2024. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

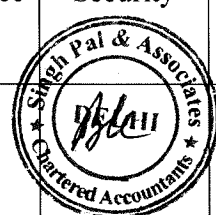
*(ii) In respect of inventory*

The Company does not have inventory. Accordingly, paragraph 3(ii)(a) to 3(ii)(b) of the Order is not applicable to the Company.

*(iii)*

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

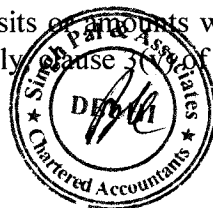
Particulars	Guarantee	Security	Loans	(Rs., lacs)
				Advances in nature of loans
Aggregate amount granted/provided during the year:				
- Holding company	-		-	-
- Fellow Subsidiary	-		-	-



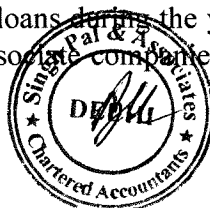
- Joint ventures	-	-	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date:				
- Holding company	-	132,100.00	-	-
- Fellow Subsidiary	-	-	1,173.75	-
- Joint ventures	-	-	-	-
- Others	-	-	-	-

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, limited liability partnership or any other parties

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have not been paid as loans are repayable on demand. Further, the Company has not given any advance in the nature of loan to any other party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any other party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year. Accordingly, clause 3 of the Order is not applicable to the Company.



- (vi) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- (vii)
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess, other statutory dues have been regularly deposited by the company with the appropriate authorities
  - b. According to the information and explanations given to us, there is no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix)
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year.
  - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - c. In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
  - d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
  - f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).





- (x)
- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
  - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi)
- a. Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
  - b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - c. Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- a. Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per section 138 of the Companies Act, 2013.
  - b. The Company did not have an internal audit system for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - b. The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



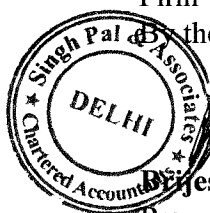
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d. The Company is not part of any group. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs. 1.51 lacs and Rs. 1.20 lacs in the current financial year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For SINGH PAL & ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 023070N

By the hand of



**Rajesh Kumar Singh**

Proprietor

Membership No.: 509943

UDIN:

Place: New Delhi  
Date: May 20, 2024

## **Annexure – ‘B’ to the Independent Auditor’s Report**

[Referred to in paragraph (2) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Gadget Builders Limited (Formerly known as Gadget Builders Private Limited) of even date]

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“Act”)**

We have audited the internal financial controls over financial reporting of **Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)** (“the Company”) as of March 31, 2024, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for laying down and maintaining internal financial controls based on ‘the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

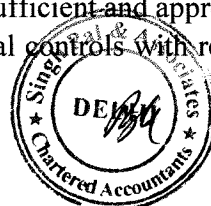
#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these Ind AS financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note and Standards of Auditing deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these Ind AS financial statements included obtaining an understanding of internal financial with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company’s internal financial controls with reference to these Ind AS financial statements.



### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial controls with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to these Ind AS financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

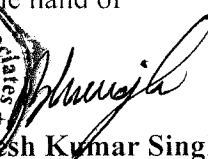
### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these Ind AS financial statements and such internal financial controls with reference to these Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For SINGH PAL & ASSOCIATES**

Chartered Accountants

Firm's Registration No.: 023070N

the hand of  
  
**Rakesh Kumar Singh**  
Proprietor



Membership No.: 509943

UDIN: 24509943 BKCR0DS283

Place: New Delhi

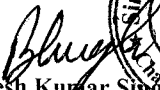
Date: May 20, 2024

**Gadget Builders Limited** ✓  
 (Formerly known as Gadget Builders Pvt. Ltd.)  
 CIN: U45400DL2007PLC162495 ✓  
 E-4, Second Floor, Defence Colony, New Delhi - 110024 ✓  
**Balance Sheet as at March 31, 2024**

Particulars	Notes	As at March 31, 2024 (₹ in Lacs)	As at March 31, 2023 (₹ in Lacs)
<b>I ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	982.08	758.51
<b>Total non-current assets</b>		<u>982.08</u>	<u>758.51</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4	0.12	0.12
Loans	5	1,173.75	1,173.75
<b>Total current assets</b>		<u>1,173.87</u>	<u>1,173.87</u>
<b>TOTAL ASSETS</b>		<u>2,155.95</u>	<u>1,932.38</u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	5.00	5.00
Other equity	7	(5.23)	(3.73)
<b>Total equity</b>		<u>(0.23)</u>	<u>1.27</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	8	1,741.45	1,715.09
Other financial liabilities	9	378.55	167.10
Other current liabilities	10	36.18	48.92
<b>Total current liabilities</b>		<u>2,156.18</u>	<u>1,931.11</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,155.95</u>	<u>1,932.38</u>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	3 - 30		

The accompanying notes are an integral part of the interim financial statements.  
 As per our report of even date attached.

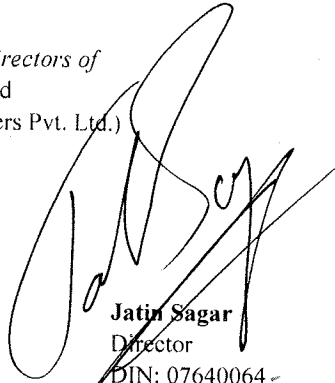
**For Singh Pal & Associates**  
 Chartered Accountants  
 Firm Registration No: 023070N  
 By the hand of

  
**Brijesh Kumar Singh**  
 Partner  
 Membership No: 509943  
 Place: New Delhi  
 Date: May 20, 2024 ✓



*For and on behalf of Board of Directors of  
 Gadget Builders Limited  
 (Formerly known as Gadget Builders Pvt. Ltd.)*

  
**Santosh Kumar** ✓  
 Director  
 DIN: 08925915 ✓

  
**Jatin Sagar**  
 Director  
 DIN: 07640064 ✓

**Gadget Builders Limited**  
(Formerly known as Gadget Builders Pvt. Ltd.)  
CIN: U45400DL2007PLC162495

E-4, Second Floor, Defence Colony, New Delhi - 110024

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

Particulars	Notes	Year ended March 31, 2024 (₹ in Lacs)	Year ended March 31, 2023 (₹ in Lacs)
<b>INCOME</b>			
Other income	11	-	0.69
<b>Total income</b>		<u>-</u>	<u>0.69</u>
<b>EXPENSES</b>			
Finance costs	12	0.96	
Other expenses	13	0.54	1.89
<b>Total expenses</b>		<u>1.51</u>	<u>1.89</u>
<b>Loss before tax</b>		(1.51)	(1.20)
Less: Tax expense			
Current Tax		-	-
<b>Loss for the year</b>		<u>(1.51)</u>	<u>(1.20)</u>
Other Comprehensive Income/(loss)		-	-
<b>Total Comprehensive Loss</b>		<u>(1.51)</u>	<u>(1.20)</u>
Earnings per share [equity share, par value of Rs. 10 (Rs. 10) each]			
- Basic and diluted	16	(3.02)	(2.40)

**CORPORATE INFORMATION**

**SIGNIFICANT ACCOUNTING POLICIES**

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes are an integral part of the interim financial statements.  
As per our report of even date attached.

**For Singh Pal & Associates**

Chartered Accountants

Firm Registration No: 023070N

By the hand of

  
Brijesh Kumar Singh

Partner

Membership No: 509943

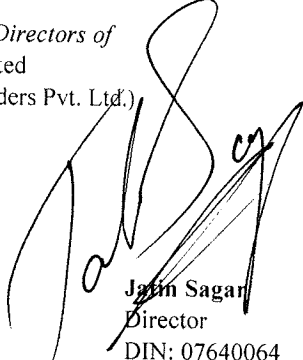
Place: New Delhi

Date: May 20, 2024



*For and on behalf of Board of Directors of*  
Gadget Builders Limited  
(Formerly known as Gadget Builders Pvt. Ltd.)

  
Santosh Kumar  
Director  
DIN: 08925915

  
Jatin Sagar  
Director  
DIN: 07640064

**Gadget Builders Limited**  
(Formerly known as Gadget Builders Pvt. Ltd.)  
CIN: U45400DL2007PLC162495  
E-4, Second Floor, Defence Colony, New Delhi - 110024  
**Cash Flow Statement for the year ended 31, 2024**

Particulars		Year ended March 31, 2024 (₹ in Lacs)	Year ended March 31, 2023 (₹ in Lacs)
<b>A. CASH FLOW FROM OPERATIONS</b>			
Loss before tax		(1.51)	(1.20)
<b>Adjustment for working capital changes:</b>			
Increase/(decrease) in other financial liabilities		211.45	144.40
Increase/(decrease) in other current liabilities		(12.74)	44.70
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>197.21</b>	<b>187.90</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Increase in Property, Plant & Equipment		(223.57)	(232.88)
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(223.57)</b>	<b>(232.88)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in borrowings		26.36	(258.70)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>26.36</b>	<b>(258.70)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C)</b>	<b>(0.00)</b>	<b>(303.69)</b>
Cash and cash equivalents - Opening balance		0.12	303.81
Cash and cash equivalents - Closing balance		0.12	0.12
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>			
Cash in hand		0.02	0.02
Balances with Banks		0.10	0.10
<b>Components of cash and cash equivalents</b>		<b>0.12</b>	<b>0.12</b>

**Disclosure of IND AS 7:**

Reconciliation of liabilities arising from financing activities

Particulars	Long term Borrowings		Short Term Borrowings	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening Balance	-	-	1,715.09	1,973.79
Cash Flow	-	-	26.36	(258.70)
Non Cash Changes	-	-	-	-
Closing Balance	-	-	1,741.45	1,715.09

**Note: Figures in brackets indicate cash outflow.**

This is the Cash Flow Statement referred to in our report of even date attached.

**For Singh Pal & Associates**  
Chartered Accountants  
Firm Registration No: 023070N  
By the hand of

**Brijesh Kumar Singh**  
Partner  
Membership No: 509943  
Place: New Delhi  
Date: May 20, 2024



For and on behalf of Board of Directors of  
Gadget Builders Limited  
(Formerly known as Gadget Builders Pvt. Ltd.)

**Santosh Kumar**  
Director  
DIN: 08925915

**Jatir Sagar**  
Director  
DIN: 07640064

**Gadget Builders Limited**  
(Formerly known as Gadget Builders Pvt. Ltd.)  
CIN: U45400DL2007PLC162495  
E-4, Second Floor, Defence Colony, New Delhi - 110024  
**Statement of change in Equity for the year ended March 31, 2024**

**A. Equity share capital** (₹ in Lacs)

Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2023	Changes in equity share capital during the current year	Balance as at March 31, 2024
5.00	-	5.00	-	5.00

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at April 1, 2022	Changes in equity share capital during the current year	Balance as at March 31, 2023
5.00	-	5.00	-	5.00

**B. Other Equity**

**(1) Current reporting period** (₹ in Lacs)

	Reserve & Surplus		Item of other comprehensive income		Total
	Retained earnings	Capital Reserve	Investment revaluation reserve	Other items of other comprehensive income	
Balance as at April 1, 2023	(3.73)	-	-	-	(3.73)
Profit for the year	(1.51)	-	-	-	(1.51)
Other comprehensive Income/(Loss)	-	-	-	-	-
<b>Total Comprehensive Income/(Loss)</b>	<b>(5.24)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.24)</b>
Dividend paid	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>(5.24)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.24)</b>

**(1) Previous reporting period** (₹ in Lacs)

	Reserve & Surplus		Item of other comprehensive income		Total
	Retained earnings	Capital Reserve	Investment revaluation reserve	Other items of other comprehensive income	
Balance as at April 1, 2022	(2.53)	-	-	-	(2.53)
Profit for the year	(1.20)	-	-	-	(1.20)
Other comprehensive Income/(Loss)	-	-	-	-	-
<b>Total Comprehensive Income/(Loss)</b>	<b>(3.73)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.73)</b>
Dividends	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>(3.73)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.73)</b>

CORPORATE INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES TO THE FINANCIAL STATEMENTS	3 - 30

The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

**For Singh Pal & Associates**  
Chartered Accountants  
Firm Registration No: 023070N  
By the hand of

**Brijesh Kumar Singh**  
Partner  
Membership No: 509943  
Place: New Delhi  
Date: May 20, 2024



*For and on behalf of Board of Directors of*  
Gadget Builders Limited  
(Formerly known as Gadget Builders Pvt. Ltd.)

**Santosh Kumar**  
Director  
DIN: 08925915

**Jatin Sagar**  
Director  
DIN: 07640064



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

### 1) Corporate Information

Gadget Builders Limited (Formerly known as Gadget Builders Private Limited) is a wholly owned subsidiary of TARC Limited (formerly known as Anant Raj Global Limited), domiciled in India and incorporated under the provisions of the Companies Act, 1956/2013. The Company is engaged in business of real estate.

### 2) Significant Accounting policies

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets, financial liabilities, derivative financial instruments and share based payments which are measured at fair values as explained in relevant accounting policies. The financial statements are presented in Rupees in lakhs, except when otherwise indicated.

#### 2.2 Summary of significant accounting policies

##### a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated 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.

All other assets are classified as non-current.

A liability is 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 classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

##### b) Property, Plant and Equipment

###### Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (difference between net disposal proceeds and carrying amount of property, plant and equipment) is included in Statement of Profit and Loss in the year in which it is de-recognized.

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### c) Revenue recognition

Income and expenditure are accounted for on accrual basis.

### d) Borrowing costs

Borrowing costs directly attributable to the acquisition and/ or construction/ production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are charged to the statement of profit and loss as incurred. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### e) Taxes

Current income tax:

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

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

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### f) Retirement and other employee benefits

Benefits such as salaries, wages and short-term compensation etc. and the expected cost of ex-gratia is recognized in the period in which the employee renders the related service.

### g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories, is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

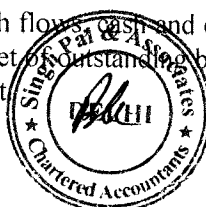
The Company bases its impairment calculation on detailed budgets and forecast calculation. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

### h) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

### i) **Cash dividend and non-cash distribution to equity holders**

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

### j) **Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made at the reporting date. Provisions are discounted to their present values, where the time value of money is material, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

### k) **Onerous contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured ever before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

### l) **Financial instruments**

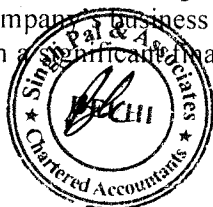
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 1. **Financial assets**

##### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, net of transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

### Subsequent measurement

- i. Financial assets carried at amortised cost - a financial asset is measured at amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Investments in equity instruments of subsidiaries, joint ventures and associates** – Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 *Separate Financial Statements*.

- iii. **Investments in other equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

### De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

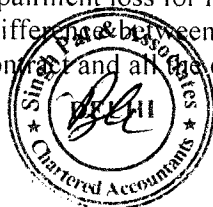
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of different scenarios between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive,



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider-

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### Trade Receivables:

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

### Other financial assets:

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

## 2. Non- derivative financial liability

### Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, net of directly attributable transaction costs.

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

### Subsequent measurement:

Subsequent to initial recognition, the measurement of financial liabilities depends on their classification, as described below:

### Loans and borrowings

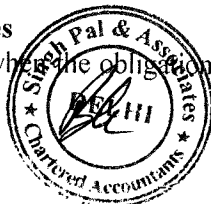
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking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

### Financial guarantee contracts:

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortization.

### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

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

### 3. Reclassification of Financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### 4. Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### m) Fair value measurement

The Company measures financial instruments such as derivative instruments etc at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

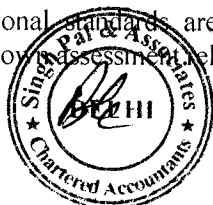
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Valuers are selected based on market knowledge, reputation, independence and whether professional standards are maintained. Fair value disclosure of Investment Properties are based on management's assessment, relying upon various parameters.



## Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)

Notes to the financial statements as at and for the year ended March 31, 2024

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Investment properties
- Financial instruments

### n) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### o) Significant management estimates/judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

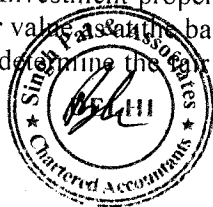
Revenue from contracts with customers-The Company has applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

#### Significant estimates

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

Useful lives of depreciable/ amortisable assets – Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Valuation of investment property – Investment property is stated at cost. However, as per Ind AS 40 there is a requirement to disclose fair value in the balance sheet date. The Company has not engaged independent valuation specialists to determine the fair value of its investment property as at reporting



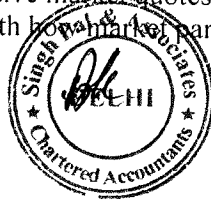


**Gadget Builders Limited (Formerly known as Gadget Builders Private Limited)**

Notes to the financial statements as at and for the year ended March 31, 2024

date. The fair value of the investment properties have been disclosed by the management of the Company based upon its own assessment and relying upon prevailing circle rates and market values and also on the basis of valuation report from IBBI approved registered valuer.

Fair value measurement disclosures – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with those that market participants would price the instrument.



**Gadget Builders Limited (Formerly known as Gadget Builders Pvt. Ltd.)**

Notes to the financial statements as at and for the year ended March 31, 2024

Particulars	As at March 31, 2024 (₹ in Lacs)	As at March 31, 2023 (₹ in Lacs)
<b>3 Property, plant and equipment</b>		
Land		
Opening balance	758.51	525.63
Addition during the year	223.57	232.88
Closing balance	982.08	758.51
<b>4 Cash and cash equivalents</b>		
Balance with bank in current account	0.10	0.10
Cash on hand	0.02	0.02
	0.12	0.12
<b>5 Loans</b>		
<b>Current</b>		
<b>(Unsecured, considered good)</b>		
Loans to related party	1,173.75	1,173.75
	1,173.75	1,173.75

Note:

i) Loans to related party represent unsecured loans given to its fellow subsidiary Company, which are recoverable wherever stipulated as mutually agreed.

ii) Details of loans and advances to promoters, KMPs and the related parties along with their percentage:

Type of Borrowers	Amount of Loan or Advance in the Nature of Loan Outstanding (₹ in Lacs)	Percentage of Loan or Advance in the Nature of loan Outstanding
Related Party: - Fellow subsidiary	1,173.75	100%

**6 Equity share capital**
**Authorized**

50,000 (50,000) equity shares of Rs.10 (Rs.10) each

	5.00	5.00
--	------	------

**Issued, subscribed, and fully paid up**

50,000 (50,000) equity shares of Rs.10 (Rs.10) each fully paid up

	5.00	5.00
--	------	------

Notes:

a) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:**

Particulars	March 31, 2024		March 31, 2023	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Number of shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Number of shares outstanding at the end of the year	50,000	5.00	50,000	5.00

b) **Terms/rights attached to equity shares:**

The Company has only one class of equity share having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation 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 each shareholder.

c) **Shares held by the holding Company:**

Particulars	As at March 31, 2024 (₹ in Lacs)	As at March 31, 2023 (₹ in Lacs)
TARC Limited (formerly known as Anant Raj Global Limited)		
*50,000 (*50,000) equity shares of Rs. 10 (Rs.10) each fully paid up	5.00	5.00



\*Includes 6 (6) equity shares held by nominees of the holding company, TARC Limited (formerly known as Anant Raj Global Limited)

## d) Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	March 31, 2024		March 31, 2023	
	Number	% holding	Number	% holding
Equity Shares of Rs. 10 (Rs. 10) each fully paid up:				
- TARC Limited (formerly known as Anant Raj Global Limited)	50,000	100%	50,000	100%

## e) Shares held by promoters at the end of the year ended March 31, 2024:

Promoter name	No. of shares	% of Total Shares	% change during the year
- TARC Limited (formerly known as Anant Raj Global Ltd.)	50,000	100%	Nil
<b>Total</b>	<b>50,000</b>	<b>100%</b>	<b>Nil</b>

## Shares held by promoters at the end of the year ended March 31, 2023:

Promoter name	No. of shares	% of Total Shares	% change during the year
- TARC Limited (formerly known as Anant Raj Global Ltd.)	50,000	100%	Nil
<b>Total</b>	<b>50,000</b>	<b>100%</b>	<b>Nil</b>

## 7 Other equity

Particulars	Other equity Reserves and surplus Retained earnings (₹ in Lacs)	Total equity attributable to equity share holders of the Company (₹ in Lacs)
Balance as at April 01, 2022	(2.53)	(2.53)
Loss for the year ended	(1.20)	(1.20)
<b>Balance as at March 31, 2023</b>	<b>(3.73)</b>	<b>(3.73)</b>
Balance as at April 01, 2023	(3.73)	(3.73)
Loss for the year ended	(1.51)	(1.51)
<b>Balance as at March 31, 2024</b>	<b>(5.23)</b>	<b>(5.23)</b>

Particulars	As at March 31, 2024 (₹ in Lacs)	As at March 31, 2023 (₹ in Lacs)
-------------	----------------------------------------	----------------------------------------

## 8 BORROWINGS

## Current

## (Unsecured)

Loan from related parties:

- Holding company

- Fellow subsidiary

1,272.45

1,246.09

469.00

469.00

1,741.45

1,715.09

Note:

Loans from related party represent interest free unsecured loans obtained from its holding company and its fellow subsidiary companies, which are repayable on demand. There is no default in repayment of principal by the Company as at the year end.

## 9 Other financial liabilities

Interest payable to Holding company

378.55

167.10

378.55

167.10

## 10 Other current liabilities

Expenses payable

Related party

Others

35.90

48.59

0.28

0.33

36.18

48.92



**Gadget Builders Limited (Formerly known as Gadget Builders Pvt. Ltd.)**

Notes to the financial statements as at and for the year ended March 31, 2024

Particulars	Year ended March 31, 2024 (₹ in Lacs)	Year ended March 31, 2023 (₹ in Lacs)
<b>11 Other Income</b>		
Other Income	-	0.69
	-	0.69
<b>12 Finance costs</b>		
Interest on TDS	0.96	-
	0.96	-
<b>13 Other expenses</b>		
Audit fees to auditor	0.09	0.09
Filing fees	0.14	0.01
Bank charges	0.00	1.18
Legal and professional	0.32	0.23
Other expenses	-	0.38
	0.54	1.89

**14 Contingent Liability (to the extent not provided for):**

Particulars	As at March 31, 2024 (₹ in Lacs)	As at March 31, 2023 (₹ in Lacs)
During the year ended March 31, 2024 the holding company TARC Limited has allotted 1910 number of Non Convertible Debenture (NCDs) having face value of Rs 10,00,000 each aggregating to Rs. 191 crores on a private Placement basis in accordance with applicable law and Amended & Restated Debentures Trust Deed dated September 22, 2023. In terms of Amended and Restated Debentures Trust Deed, the Company has created additional security interest in favour of Debentures Trustee catalyst Trusteeship Limited by deposit of title deeds over the Property, Plant & Equipment having book value of Rs 982.08 lacs as at March 31, 2024 to secured the above NCDs in addition to the provisions issue of NCDs amounting to RS 1,130 Cores (aggregating to Rs 1,321 crores).	1,32,100.00	1,33,000.00

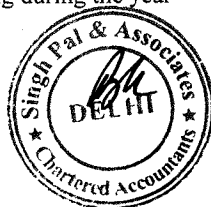
**15 Capital Commitment**

The Company has contractually committed (net of advances) ₹ NIL and ₹ NIL as at March 31, 2024 and March 31, 2023, respectively.

**16 Earnings per share**

The earnings considered in ascertaining the Company's EPS is the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Loss attributable to equity shareholders	₹ in Lacs	(1.51)	(1.20)
Nominal value of equity share	₹	10	10
Weighted average number of equity shares outstanding during the year	Nos.	50,000	50,000
Basic and diluted earnings per share	₹	(3.02)	(2.40)



**17 Related party disclosures**

Following parties are to be considered as related parties along with their relationships in accordance with Ind AS - 24 on "Related Party Disclosures":

**a) List of related parties where control exists and other related parties with whom transactions taken place and their relationships:**

**Holding Company**

TARC Limited

**Fellow Subsidiaries**

Park Land Developers Private Limited

Grandpark Buildtech Private Limited

**Companies in which fellow Subsidiary companies exercise control**

Rising Realty Limited (Formerly Known As Rising Realty Pvt. Ltd.)

**Key management Personnel**

Jatin Sagar	Director
Shyam Sharma	Director
Parivesh Sharma	Nominee Director
Santosh Kumar	Director

**Note:** The related parties relationship is as identified by the management.

**b) Transaction entered with related parties during the year:(excluding reimbursements):**

Nature of transactions	Related Party	Year ended	Year ended
		March 31, 2024	March 31, 2023
		(₹ in Lacs)	(₹ in Lacs)
1. Loans given	Grandpark Buildtech Pvt. Ltd.	-	1,173.75
2. Borrowings received	TARC Limited	26.36	1,226.30
3. Interest paid/provided	TARC Limited	211.45	167.10
4. Expenses incurred for the Company	TARC Limited	-	48.59
5. Expenses payable paid	TARC Limited	12.68	-

**c) Amount outstanding as at March 31, 2024:**

Account head	Related Party	As at March	As at March
		31, 2024	31, 2023
		(₹ in Lacs)	(₹ in Lacs)
1. Loans - current	Grandpark Buildtech Pvt. Ltd.	1,173.75	1,173.75
2. Borrowings - current	TARC Limited	1,272.45	1,246.09
	Park Land Developers Pvt. Ltd.	400.00	400.00
	Rising Realty Limited	69.00	69.00
	TARC Limited	378.55	167.10
3. Interest payable	TARC Limited	378.55	167.10
4. Expenses payable	TARC Limited	35.90	48.59

**18** In the opinion of the management, the current assets, if realized, in the ordinary course of business, would realize a sum at least equal to that stated in the Balance Sheet.

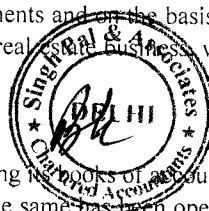
**19** The name of the Company have been changed from "GADGET BUILDERS PRIVATE LIMITED" to "GADGET BUILDERS LIMITED" by ROC-Delhi Vide SRN F19067149 dated 18.08.2022. Accordingly, financial statements of the Company for the year ended March 31, 2024 have been prepared in the changed name of the Company.

**20 Segment Reporting**

In line with the provisions of IND AS 108 - Operating Segments and on the basis of review of operations being done by the management of the Company, the operations of the Company falls under real estate business which is considered to be the only reportable segment of the management.

**21 Audit Trail**

The Company has used an accounting software for maintaining the 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 operating for the all relevant transactions recorded in the software. Although, the accounting software has inherent limitation, there were no instances of the audit trail feature been tampered.



## 22 Going concern

The Company has incurred losses during the current and previous year and its current liabilities exceeds its current assets as on March 31, 2024. The financial statements have been prepared on going concern basis in view of the fact that the Company has obtained a support letter from its holding company indicating that the holding company will take necessary actions to organize for any shortfall in liquidity during the period of 12 months from the balance sheet date.

Based on the above, the Company is confident of its ability to meet the funds requirement for payment of its liabilities and to continue its business as a going concern and accordingly, the financial statements have been prepared on going concern basis.

## 23 Financial instruments

### (I) Financial instruments by category

(₹ in Lacs)

Particulars	As at 31st March 2024		As at 31st March 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>A. Non Current</b>				
<b>Measured at amortised cost</b>	-	-	-	-
<b>B. Current</b>				
<b>Measured at amortised cost</b>				
Cash and Cash Equivalents	0.12	0.12	0.12	0.12
Loans	1,173.75	1,173.75	1,173.75	1,173.75
	1,173.87	1,173.87	1,173.87	1,173.87
<b>Total Financial Assets</b>	<b>1,173.87</b>	<b>1,173.87</b>	<b>1,173.87</b>	<b>1,173.87</b>
<b>Financial liabilities</b>				
<b>A. Non Current</b>				
<b>Measured at amortised cost</b>	-	-	-	-
<b>B. Current</b>				
<b>Measured at amortised cost</b>				
Borrowings	1,741.45	1,741.45	1,715.09	1,715.09
Other financial liabilities	378.55	378.55	167.10	167.10
	2,120.00	2,120.00	1,882.19	1,882.19
<b>Total Financial liabilities</b>	<b>2,120.00</b>	<b>2,120.00</b>	<b>1,882.19</b>	<b>1,882.19</b>

For short term financial assets and liabilities carried at amortized cost. The carrying value is reasonable approximation of fair value. The carrying amount of bank balances, Trade Receivable, Trade Payable, other financial assets/liabilities, loans, cash and cash equivalents, borrowings are considered to be the same as their fair value due to their short term nature.

### (II) Fair values hierarchy

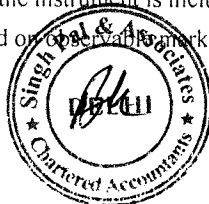
Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



**24 Financial Risk Management Objectives And Policies**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes.

The Company's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommend risk management objectives and policies, which are approved by Senior Management.

**i) Risk management:**

**A) Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

**i) Credit risk rating**

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate Credit Risk

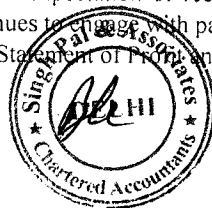
C: High credit risk

The Company provides for expected credit loss based on the following:

Credit risk	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investment, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Loans and other financial assets	12 month expected credit loss/Life time expected credit loss
High credit risk	Loans and other financial assets	12 month expected credit loss/Life time expected credit loss

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the Statement of Profit and Loss.



ii) *Credit risk exposure*  
Provision for expected credit loss

As at 31 March 2024

Particulars	(₹ in Lacs)		
	Estimated gross Carrying amount at default	Expected credit losses	carrying amount net of impairment provision
<b>Measured at amortised cost</b>			
Cash and Cash Equivalents	0.12	-	0.12
Loans	1,173.75	-	1,173.75
<b>Total</b>	<b>1,173.87</b>	<b>-</b>	<b>1,173.87</b>

As at 31 March 2023

Particulars	(₹ in Lacs)		
	Estimated gross Carrying amount at default	Expected credit losses	carrying amount net of impairment provision
<b>Measured at amortised cost</b>			
Cash and Cash Equivalents	0.12	-	0.12
Loans	1,173.75	-	1,173.75
<b>Total</b>	<b>1,173.87</b>	<b>-</b>	<b>1,173.87</b>

Reconciliation of loss allowance provision

Reconciliation of loss allowance		(₹ in Lacs)
		Loan
<b>Loss allowance on 31 March 2023</b>		-
Allowance for expected credit loss (net)		-
<b>Loss allowance on 31 March 2024</b>		-

B) *Liquidity risk*

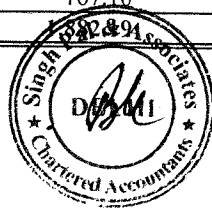
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

**Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities:

Contractual maturities of financial liabilities as at March 31, 2024	Total Carrying Value	On Demand Payable	(₹ in Lacs)		
			on due within 1 Year	Over 1 Year within 5 Years	Over 5 Years
Current					
Borrowings	1,741.45	1,741.45	-	-	-
Other financial Liabilities	378.55	378.55	-	-	-
<b>Total</b>	<b>2,120.00</b>	<b>2,120.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

Contractual maturities of financial liabilities as at March 31, 2023	Total Carrying Value	On Demand Payable	(₹ in Lacs)		
			on due within 1 Year	Over 1 Year within 5 Years	Over 5 Years
Current					
Borrowings	1,715.09	1,715.09	-	-	-
Other financial Liabilities	167.10	167.10	-	-	-
<b>Total</b>	<b>1,882.19</b>	<b>1,882.19</b>	<b>-</b>	<b>-</b>	<b>-</b>





**C) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities.

**(i) Foreign exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company not having any international transactions therefore exposed to foreign exchange risk does not arising from foreign currency transactions.

**(ii) Interest rate risk**

The Company's interest free borrowings from related parties are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**25 Capital management**

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

**26 Other statutory information:**

**i) Details of Benami Property held**

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

**ii) Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution Government or any Government authority or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India..

**iii) Relationship with struck off companies**

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

**iv) Registration of charge or satisfaction thereof**

The Company does not have any charge or satisfaction whereof is yet to be registered with ROC beyond the statutory period.

**v) Compliance with approved scheme of arrangement**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous year.

**vi) Utilisation of borrowed funds and share premium**

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.

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 current or previous year in the tax assessment under the Income-tax Act, 1961, which 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 financial year.

**ix) Details of Borrowings**

The Company does not have any borrowing from any bank or financial institution on the security of book debtors, stock and other current assets exceeding the limit prescribed. Hence, no reporting is required on whether the quarterly statement filed with the bank or financial institution are in agreement with books of account of the Company or not.



**Gadget Builders Limited (Formerly known as Gadget Builders Pvt. Ltd.)**

Notes to the financial statements as at and for the year ended March 31, 2024

**27 Ratios:**

Sl. No.	Particulars	Numerator / Denominator	As on 31.03.2024	As on 31.03.2023	% Change in Ratio	Reason of Change in the year ended March 31, 2024 (Where Change is more than 25% over earlier year)
(a)	Current Ratio (in times)	Current Assets/ Current Liabilities	0.54	0.61	-10.44%	
(b)	Debt Equity Ratio (in times)	(Non-current borrowing + Current Borrowing)/ Shareholder's Equity	-7440.97	1348.30	-651.88%	Debt equity ratio is lower due to increase in borrowings during the year.
(c)	Debt Service Coverage Ratio (in times)	Net Operating Income/ Debt Service = Principal repayment + Interest	N.A.	N.A.	N.A.	
(d)	Return on Equity Ratio (in %)	Profit/(Loss) after tax/ Shareholder's Equity	644.31%	-148.50%	533.87%	Negative return on equity is higher due to losses incurred and negative shareholder's equity during the year.
(e)	Inventory Turnover Ratio (in times)	Revenue from operations/ Average Inventory	N.A.			The Company does not have any inventory.
(f)	Trade Receivables Turnover Ratio (in days)	365/(Net Credit Sale/ Average Trade Receivables)	N.A.			The Company does not have balance of trade receivable.
(g)	Trade Payables Turnover Ratio (in days)	365/(Net Credit Purchase/ Average Trade Payables)	N.A.			The Company does not have balance of trade payables.
(h)	Net Capital Turnover Ratio (in %)	Revenue from operations/ Average Working Capital	N.A.			There is no revenue from operations during the current year and previous year.
(i)	Net Profit Ratio (in %)	Net Profit/ Revenue from operations	N.A.			
(j)	Return on Capital Employed (in %)	EBIT/ Capital Employed = Equity + Non-current liabilities	644.31%	-148.50%	533.87%	Negative return on capital employed is higher due to losses incurred and negative shareholder's equity during the year.
(k)	Return on Investment (in %)	(CV of Investment - Cost of Investment)+(Dividend received - Expenses)/ Cost of Investment	N.A.			

28 The Company has presented its financial statements in Rs. Lacs and accordingly, figures have been rounded off to the nearest Rs. Lacs.

29 Figures in bracket represents previous year figures, unless otherwise indicated.

30 Figures of the previous year have been regrouped/recast, wherever necessary, to confirm to current period's presentation.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

**For Singh Pal & Associates**

Chartered Accountants

Firm Registration No: 023070N

By the hand of

**Brijesh Kumar Singh**  
Partner

Membership No: 509943

Place: New Delhi

Date: May 20, 2024



For and on behalf of Board of Directors of  
Gadget Builders Limited  
(Formerly known as Gadget Builders Pvt/Ltd.)

**Santosh Kumar**

Director

DIN: 08925915

**Jatin Sagar**

Director

DIN: 07640064